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ABSTRACT

The purposes of this paper are to discuss the legal, economic and other implications of a 1971 landmark court ruling from a Black perspective; to advocate a position to which Black educators and others concerned with equity in educational opportunities of Black children might react; and to outline further needed research that ought to be undertaken in order to obtain better knowledge of the empirical bases for future positions on these and related issues. The California Supreme Court in Serrano v Priest declared wealth and expenditure disparities that favor the wealthy in violation of the equal protection provision of the U.S. and California constitutions. Legislatures have proposed a number of ways to satisfy the implied mandate and eventually attain quality of expenditures. This paper concludes that more equality of expenditures may well result in less equity of expenditures for Black children. Quality education for Black children cannot be bought in a system designed for white culture with equal dollars. One position advocated is that relevant educators demand equal funding for a Black perspective on all major research that threatened to have a major impact on the Black community. (Author/JM)

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THE BLACK CHILD AND EQUITY IN SCHOOL FINANCE: ANALYSIS AND ALTERNATIVES

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ABSTRACT

The California Supreme Court in Serrano v Priest declared wealth and expenditure disparities that favor the wealthy in violation of the equal protection provisions of the U.S. and California cinstitutions. Legislatures have proposed a number of ways to satisfy the implied mandate and eventually attain equality of expenditures. This paper looks at simulations of two such proposals and concludes that more equality of expenditures may well result in less equity of expenditures for Black children.

This paradox arises out of the fact that most Black children are in large cities, and the industrial wealth of these places them typically above the median in wealth and expenditures, though usually not by much. Wealth and expenditure equalization alone would tend to cause funds to flow out of the above-median cities into the below median places.

Equality connotes evenness. Equity connotes fairness. The value judgement implied in the latter concept will ultimately be made by whomever emerges victorious from the current debate over whether Black children should receive more than equal resources (or whether they are inferior genetically).

Quality education for Black children cannot be bought in a systen designed for, and biassed toward, white culture with equal dollars. Not for a host of reasons. Educators concerned with Black children are impugned/to take positions based on the best interpretations of available data, and to press for the development of new knowledge to determine the validity of these positions.

One position advocated is that relevant educators demand equal funding for a Black perspective on all major research that threatens to have a major impact on the Black community.

I. PURPOSE

The purposes of this paper are three in number: to discuss the legal, economic and other implications of a 1971 landmark court ruling[1] from a Black perspective; to advocate a position, based on an interpretation of currently available data, to which Black educators and others concerned with equity in educational opportunities of Black children might react; and to outline further needed research that ought to be undertaken in order to obtain better knowledge of the empirical bases for future positions on these and related issues.

Sections II, III and IV below, deal with the first purpose; section V with method; section VI with the second purpose and section VII with the third.

II. LEGAL ISSUES

In October, 1971, the California Supreme Court called up a case from a lower court which involved the question whether the inequitable amounts spent on school children in rich and poor districts can be considered a violation of both the Fourteenth Amendment of the United States Constitution and equivalent provisions of the State Constitution of California which guarantee equal protection of the Laws.[2]

John Serrano, the plaintiff, brought the suit on behalf of all children who, like his own, were unable to obtain an adequate education without moving from one district to another, because the former had substantially less wealth within its district boundaries subject to the education tax rate. The principal in the poor school district told Serrano bluntly that the district was simply incapable

of providing the kind of educational program needed by his children, and advised him to move across the district boundary to a neighboring district which had more property wealth per pupil.

These circumstances were familiar to a growing group of school finance reform advocates who, upon hearing of Serrano's plight, committed the time and energy necessary to produce a class action suit which is known in law as Serrano vs. Priest.

The primary issue raised by Serrano vs. Priest is the inequity and unconstitutionality of interdistrict wealth and expenditure disparities. In the words of the California Supreme Court, the prevailing model of school finance "with its substantial dependence on local property taxes and resultant wide disparities in school revenues violates the equal protection clause of the Fourteenth Amendment ... because it makes the quality of a child's education a function of the wealth of his parents and neighbors." 3

The Fourteenth Amendment of the U. S. Constitution, and equivalent language found in the California State Constitution, requires that the State provide equal protection of the laws to all its citizens, and prohibits the State from depriving any citizen or class of any of the rights accorded other citizens. "Fundamental rights" are those found in the Bill of Rights, such as the right to vote, the right to a fair and speedy trial, etc.

When a fundamental right is involved, the State may deprive a citizen of the right only insofar as it has a "compelling state reason" of a gravity equal to that of national security at the federal level.

The court is obliged to apply standards of "strict scrutiny" when reviewing the violation of a fundamental right, which is to say that it places the burden of proof on the State to show that violation of a right is necessary by virtue of some such compelling State reason.

Hence, in order to generally require that the State remove disparities in wealth and expenditures, the California Supreme Court was , in effect, suggesting that education is to be classified among those fundamental rights that the State may not violate.

In a sister suit of Serrano's appealed from the Federal District Court in Texas,[4] the issue of the inequity of wealth disparity and the prerequisite issue of education as a fundamental right were brought before the U. S. Supreme Court. The majority ruled, by a 5-4 vote, that education is not a fundamental right at the federal level, but that each state retains the option to interpret language in its own State Constitution to that effect, or to adopt new constitutional language embodying the concept, if it felt the wealth disparities in its State are of sufficient size to warrant a plebiscite on the issue.

This posture of the U. S. Supreme Court was viewed as a setback by the lawyers for the plaintiff when compared with the previous language on this issue laid down by the Warren Court in Brown vs. Board of Education,[5] which the California Court liberally interpreted as implying, by virtue of its inherent logic, that education could be considered a fundamental right.

Interstate Wealth Neutrality

It is interesting to speculate further on the broader implications of the close vote in Rodriquez. Had the majority upheld Rodriquez and hence, Serrano, the court might have concluded, among other things, that wealth equalization must be accomplished not only within States, but for the Nation as a whole, and that Congress must see to it that a nationwide program is legislated to that effect.

A superficial knowledge of the empirical data would seem to suggest that such a decision would leave the poor and minorities, (especially the Blacks who are so numerous in the low wealth southern states), better off. But further reflection reminds us that Blacks have been steadily moving northward and to the cities for some time and that industry and Whites are on a net reverse trend southward and to the suburbs. In the final analysis, as we shall see in section VI below, it is the empirical data which must guide us to our conclusions regarding who will win and lose as a result of a broad application of the principle of wealth neutrality.

Public Finance and the Quality of Life

As a last speculation, if education had been declared a fundamental right--protected from the inequity of wealth disparities--it could well have been the entering wedge for a raft of other cases designed to extend the equity principle to other public services, such as public sanitation and the protective services, most of which are also financed by the same type of mechanism. The implications of this fact for the enhancement of the quality of life in

the city are practically unfathomable. It would, among other things, serve to sweep away the primary source of the attraction for the suburban flight of Whites that is, in turn, creating the problem of de facto segregation in the schools. It would also help to remove the prime attraction for the flight of footloose industries to those same suburbs and to the South which is, in turn, contributing to problems of urban unemployment.

Some Implications for Black Education

But we have strayed a great distance from our initial concern with implications of issues of equity, arising from the court's ruling in Serrano, for Black education. These issues arise as much from what the court did not say as from what it did. 1) Note that the court is addressing itself to disparities in wealth and expenditures among districts and not to what the districts do with the revenues to provide equity in educational opportunities among children from different schools or communities; 2) The cause of action has to do only with equity on the input side of the education process, i.e., school expenditures, with no parallel regard for the equity with regard to outcomes, despite the recent literature defining the latter as true "equalization of education opportunity;" 3) The court said nothing about the structure of governance of the school system, i.e., who should make the decisions regarding how the money is allocated once it is apportioned to a district; 4) The court placed the emphasis of its remarks on the issue of expenditure disparities caused by disparities in wealth, although

the real value of the educational dollar is also a function of inequities in educational costs, educational need, the costs of other government services and in general, overall effort required to produce equal quality of educational and other public services in various settings.

The crux of the legal issue for Black children therefore, revolves about whether most Black children are within the plaintiff class of Serrano vs. Priest, i.e., whether they are among the "wealth disadvantaged." There is no a priori reason for believing that most Blacks do or do not belong to this class. To the extent they do, Blacks should join the effort to educate the courts and the legislatures in the movement for wealth equalization; to the extent that they do not, Blacks should study the potential impact on the availability of education resources for Black education that legislative responses to Serrano imply. To the extent that some Black people are wealth disadvantaged and some are not, the appropriate responses to the different liaisons that are building in practically every State must be considered and the empirical evidence collected and analyzed justly.

Whether we like it or not, alliances will be struck. In a political milieu characterized by countervailing power, those who fail to participate in the process are the only certain losers.

III. THE ECONOMIC ISSUE

Before we look at the empirical data on whether most Black people are among the plaintiff class in Serrano, i.e., that they

are victims of wealth inequities and as a result, inequities in terms of expenditures, we ought to take a look at what significance this matter has for current thinking on the economics of education.

The literature abounds with definitions of equality of educational opportunity.[6] All would agree, moreover, that a system which provides more to the privileged than to the disadvantaged is untenable. The problem arises in attempting a definition of the "disadvantaged." In particular, there is the problem that not all who are wealth disadvantaged are disadvantaged in other respects, and vice versa.

Some economic location theorists even go so far as to deny the existence of the concept of wealth disadvantage per se.[7] Given perfect mobility, they argue, people will locate nearest the kind of wealth that most enhances their total opportunity set. Thus, income-rich people will tend to locate residentially in property-rich areas in order to avoid the externalities of industrial areas, and are willing and able to support a superior school system with the capitalized value of their homes. Income-poor people could conceivably move into these areas at some sacrifice, but would probably prefer to economize on public service costs by locating near industrial property wealth, the presence of which they hope will tend to reduce their tax bill and to offer them employment. Commerical property tends to locate wherever the residents of residential or industrial enclaves congolmerate.

The benefits of the superior educational system in rich residential areas are, therefore, offset by the high cost of housing to

its residents. The benefits of the lowered tax rate in industrial areas is offset by such externalities as noise and pollution. If mobile, either resident could locate next to the other if he chose, but his net incentives probably would cause him to choose otherwise.

According to this view, any proposal which purports to eliminate wealth inequities is simply imposing costs in addition to these capitalized home values and industrial externalities on home owners in both areas who wind up paying twice in real terms.

Whatever the outcome of this debate in general, it is hardly as relevant to Black people who are much less mobile into wealthy enclaves and even blue collar enclaves where these are peopled by the skilled trades that we find so hard to penetrate.

More important to Black people are the many dimensions of educational disadvantage other than wealth with which the lawyers for the plaintiffs have so far failed to impress either the court or the media. Among these are the dimensions of need, cost and effort.

IV. OTHER ISSUES

Educational Need Inequities

Wealth is not the only dimension of fiscal disadvantage nor is it probably the most important from the perspective of Black people. In an earlier suit before the federal district court in Illinois,[8] the attorneys for the plaintiff argued that some children and in particular minority children, need more educational resources than do children of other communities. This was also the essence of a case arising in Washington, D.C.[9] In the latter instance, the court, in effect, agreed with the need argument, in the former, it did not, arguing that the evidence was not presented in such a way as to convince the court that there was any "manageable and acceptable standards of need" that the court could use as a criterion for a mandate.

Cost Inequities

Numerous amicus briefs were filed in Rodriguez, including one by the Education Finance Reform Project,[10] which asked the court to recognize the additional costs of education peculiar to the urban centers, as well as the high cost of other competing services which are necessary in center cities and which are absent from the suburban and rural areas. Because the court skirted the central issue of the suit, i.e., whether it had jurisdiction by virtue of alleged violations of the Fourteenth Amendment to the U.S. Constitution, it never really tackled this issue.

Inequities in Tax Effort

Lurking beneath the surface in Serrano is still another issue, which the attorneys for the plaintiff have chosen not to emphasize until

the court rules on the issue of wealth disparities. A taxpayers suit will probably next allege that the operation of the prevailing system discriminates against some taxpayers by producing different amounts of educational expenditures for the same very tax effort, primarily because the inputs are allowed to vary with varying wealth bases. Thus, taxpayer A in district I, paying the same tax rate as taxpayer B in district II, gets a smaller return for his effort and is therefore deprived of his Fourteenth Amendment rights of equal protection of the laws.

Accountability and the Education Production Function

Education is the largest government service provided outside of national defense. Yet, it is one to which resources are committed with no real contracts for minimum results. As crucial and expensive as this service is to the nation, it is a wonder that the situation has been tolerated for so long.

One of the causes of this anomaly, and in turn, the cause of another, is the absence of a production function in education. Because we have tolerated such poor accountability, we cannot relate inputs to outputs in any meaningful way. Because of that fact, we have no way to hold the educator accountable.

Despite the chicken-egg situation, education economists have been able to estimate from theoretical analogs to capital theory and available, empirical evidence that the investment of a marginal dollar in education reaps far greater returns than elsewhere in the economy and would return more if invested in the Black child than in the White.[11] Nevertheless, persuasive proof of this proposition on the empirical

level must await better accountability and management information systems at the school level.

V. METHODOLOGY AND DATA

Unfortunately, these and a raft of other implied issues are far too many to deal with here, despite their importance. At most, we can expect only to address the central questions of whether the Black child is or is not among the victim of wealth inequity and what implications this matter holds for his "expenditure inequity". Let us begin at the national level, and develop a way in which to look at the available data on these two related issues.[11a]

Table A-1 in the appendix contains the basic data at the national level which we will use to develop the first half of a methodology which we will later apply to the state level to determine whether or not Blacks are for the most part, among the wealth and expenditure disadvantaged. An important constraint in the methods is that we keep the analysis as simple as possible, because our ultimate constituencies are the layman classes-- legislators, boards of education and Parent Advisory Council Members-- not the professional teachers, principals and superintendents.

What Table A-1 shows for forty-nine states and Washington, D.C., is their ADA (average daily attendance)[12] and Black ADA ranked by their assessed valuation per unit ADA, highest to lowest. The range is wide-- from 2,326 for South Carolina to 49,412 for Wisconsin. More surprising than the range, however, is the fact that the cumulative percentages of ADA and Black ADA ranked high to low attain the median value[13] of .50 at approximately the same point in the table,

i.e., between Virginia and Tennessee for all ADA, and for Black ADA. This means that Black ADA is no more wealth disadvantaged in the country as a whole than is total ADA.

Tables A-2 through A-5 (which is the same data as in A-1, but for California, Maryland and Tennessee), show that within states, no single pattern tends to hold.[14] Where districts are ranked by assessed valuation per student in California, Black ADA tends to attain the median value of .50 much sooner than total ADA. This indicates that Black people within districts in California tend to be concentrated in those with highest assessed valuation, i.e., Blacks are wealth advantaged rather than wealth disadvantaged, in California. In Maryland, as we shall note in Table A-3, however, cumulative percent of Black ADA tends to attain a value of .50 later than the total ADA, when districts are ranked by assessed valuation per pupil, from highest to lowest. This is an indication that Blacks are among the wealth disadvantaged in this southern state, but not in all. Table A-4 shows the reverse is true in Tennessee.

Table A-5 is a similar table for thrity-four large cities.[15] Here too, we note that when ranked from highest to lowest assessed valuation per pupil, Black ADA tends to attain the median before total ADA, indicating that Blacks tend to be more concentrated in cities with the highest wealth than the lowest, nationwide.

Table 1 is derived from Table A-1 by separating total and Black ADA both into two groups. We first divided AV/ADA for each State by AV/ADA for all states, and then grouped in the "Average and Below Average AV/ADA" category, those states with a ratio to

TABLE I

Distribution of ADA and Black ADA by Wealth of States Relative to the United States

Ratio to Average AV/ADA	Total Population	%	Black	%	B/T X 100
0.00-0.50	5,459,955	12.7	1,243,849	19.7	22.8
0.51-0.75	8,182,724	19.0	1,095,157	17.4	13.4
0.76-1.00	7,762,190	18.0	1,011623	16.0	13.0
Subtotal	21,404,869	49.7	3,350 629	53.1	15.7
Above Average					
1.01-1.25	10,352,199	24.0	1,437,487	22.8	13.9
1.20-1.50	5,288,322	12.3	668,320	10.6	12.6
1.51-1.75	691,356	1.6	25,844	0.4	3.7
1.76-2.00	2,878,622	6.7	464,032	7.4	16.1
2.00+	2,442,256	5.7	358,849	5.7	14.7
Subtotal	21,652,755	50.3	2,954,532	46.9	13.6
Grand Totals	43,057,605	100.0	6,305,161	100.0	14.6

Data derived by Richard Cloud and Robert Singleton of Education Finance Reform Project, from California Senate Office of Research, The Ability of School Districts, Sacramento, November 1, 1972; and California State Testing Program, 1970-71 Sacramento, 1972.

Notes: Ratio to average AV/ADA and Income/ADA means the district per pupil assessed valuation and income divided by the statewide per pupil assessed valuation and income.

the U.S. average AV/ADA of 1.0 or less, and grouped in the "Above Average AV/ADA" category, those states with a ratio to the U.S. of more than 1.0.

As this analysis shows in Table I, the percentage of the ADA that falls into the first group: those with a ratio to average AV/ADA of one or less is 49.7 for the total ADA and 53.1 for Black ADA. This result would seem to confirm the prior conclusion that Blacks are no more wealth disadvantaged than Whites on the whole for the U.S. But this is the net result of forces seen only when we break the data down into small enough categories to document the influence of specific districts. We shall see below in Section VI, that the clustering of Black ADA has a unique and distinct pattern at almost all levels.

Table II is also derived from Table A-1, but this time adding another dimension, that of income per ADA. The interesting observation here is one that we shall again analyze in later tables at the state level: that there is no low income ADA in high wealth districts, as indicated by the zero in the upper right hand quadrant of the four-celled matrix. Total ADA is almost evenly distributed between low income-low wealth districts and high income-high wealth districts. Almost half of Black ADA is in the relatively low income, low wealth districts. Chart I provides a visual picture of these statistics.[16]

In California, the pattern is completely different. Table III shows that Black ADA is concentrated in the high wealth districts (62.7%) while White and Spanish Surname ADA are more concentrated in the low income, low wealth districts (59.0 and 55.5% respectively).

TABLE II

Distribution of ADA by Ratio of State to National Average AV/ADA

		Below Average INC/ADA	Approx. Average INC/ADA	Above Average INC/ADA	Far Abve. Average INC/ADA	Totals All INC. Levels
Below Average AV/ADA	T	3,958,281	9,684,378	0	0	13,642,659
	N	2,772,469	8,531,184			11,303,653
	B	1,185,812	1,153,194			2,339,006
Approx. Average AV/ADA	T	2,171,532	12,578,767	3,364,090	0	18,114,389
	N	1,614,258	11,160,184	2,890,837		15,665,279
	B	557,274	1,418,583	473,253		2,449,110
Above Average AV/ADA	T	0	5,979,678	0	0	5,979,678
	N		5,285,514			5,285,514
	B		694,164			694,164
Far Above Average AV/ADA	T	0	2,695,426	2,183,011	442,441	5,320,878
	N		2,309,871	1,782,974	405,152	4,497,997
	B		385,555	400,037	37,289	822,881
Totals All Levels	T	6,129,813	30,938,249	5,547,101	442,441	43,057,604
	N	4,386,727	27,286,753	4,673,811	405,152	36,752,443
	B	1,743,086	3,651,496	873,290	37,289	6,305,161

Data derived by Richard Cloud and Robert Singleton of Education Finance Reform Project, from California Senate Office of Research, The Ability of School Districts, Sacramento, November 1, 1972; and California State Testing Program, 1970-71

Notes: Ratio to average AV/ADA and Income/ADA means the district per pupil assessed valuation and income divided by the statewide per pupil assessed valuation and income. "Below average" AV and income ADA is defined as districts which are .75 or less of the statewide average AV. "Approximately average" AV/ADA and income ADA range from .76-1.25; "Above average AV/ADA and Income ADA range from 1.26 to 1.75; and "Far above average" AV/ADA and income ADA are those which are 1.76 or more of the statewide average.

The Initials T, B and N stand for total, Black and Non-Black ADA.

TABLE III

ETHNIC DISTRIBUTION AND PERCENTAGE DISTRIBUTION OF ADA BY RELATIVE WEALTH OF DISTRICTS IN CALIFORNIA, 1972-73

Ratio to Average Average. AV/ADA	T	W	B
Average and Below Average AV/ADA	2,501,295 55.8	1,897,986 59.0	148,364 37.3
Above Average AV/ADA	1,977,860 44.2	1,316,411 41.0	249,179 62.7
Totals, All Levels AV/ADA	4,479,155 100.0	3,214,397 100.0	397,543 100.0

Sources: Derived by Richard Cloud and Robert Singleton of the Education Finance Reform Project; from California Senate Office of Research, The Ability of School Districts Sacramento, November, 1972 and California State Department of Education, California State Testing Program, 1970-71, Sacramento, 1972.

Notes: Income and wealth classifications are as follows: Districts with average and below average wealth are those with assessed valuation per ADA that is equal to or less than the statewide average. Districts with above average wealth are those with AV/ADA that is above statewide average. Districts with average and below average Income/ADA are those with income/ADA that is equal to or less than the statewide average. Districts with above average income/ADA are those with income/ADA that is greater than the statewide average.

Table IV cross classifies AV/ADA by Income/ADA for thirty-four large cities in the same manner that Table II cross-classified this information for the States. Here again we note the fact that there is an entry of zero in the upper right-hand quadrant, indicating that there are few if any income-rich people in property-poor districts.[17]

Expenditure Disadvantage and Resource Redistribution

The significance of the above wealth inequities is in the fact that they lead to expenditure inequities at equal tax effort. For every level of state revenues, some districts must win resources and some must lose resources on every alternative proposal for school finance reform.

In this section of the paper we shall review the nature of some of these alternatives and present the remaining methodology by which we intend to relate the issue of wealth inequity to that of expenditure inequity

The major reform proposals that are currently under consideration by state legislatures are those of statewide equalization (also referred to as "full state assumption" of school finance (FSA) and "district power equalizing" (DPE).[18]

Statewide equalization neutralizes wealth inequities within states by taking from the districts the right to set a district tax rate on property values and number of children in a district's schools. Under this change, the state sets a uniform tax rate (by type of district) sufficiently high to raise funds for an "adequate" educational quality for all children, and allocates this out to the

TABLE IV

Ethnic Distribution and Percentage Distribution of ADA by Income and Wealth of Large Cities, U.S., 1970

		Average and Below Average Income/ADA		Above Average Income/ADA		Totals All Income Levels	
Average and Below Average AV/ADA	T	9,261,798	62.1	0	0.0	9,261,298	38.1
	B	2,464,748	72.9			2,464,748	48.1
Above Average AV/ADA	T	5,673,140	37.9	9,367,166	100.0	15,040,306	61.9
	B	915,469	27.1	1,740,017	100.0	2,655,486	51.9
Totals All Wealth Levels	T	14,934,938	100.0	9,367,166	100.0	24,302,104	100.0
	B	3,380,217	100.0	1,740,017	100.0	5,120,234	100.0

Sources: Derived by Richard Cloud and Robert Singleton of the Education Finance Reform Project; from California Senate Office of Research, The Ability of School Districts Sacramento, November, 1972 and California State Department of Education, California State Testing Program, 1970-71, Sacramento, 1972.

Notes: Income and wealth classifications are as follows: Districts with average and below average wealth are those with assessed valuation per ADA that is equal to or less than the statewide average. Districts with above average wealth are those with AV/ADA that is Above statewide average. Districts with average and below average Income/ADA are those with income/ADA that is greater than the statewide average.

districts in the form of a "basic grant", exclusive of categorical program funds.

District power equalizing is similar except that the state now establishes a "schedule" or range of optional tax rates. Associated with each optional rate is a level of expenditures that the district simultaneously chooses with its tax choice. Conversely, should the district desire to choose a certain level of expenditures, which it considers adequate, the same schedule tells it what the state will require as a tax effort.[19]

Table V shows a simulation of statewide equalization and district power equalizing for thirty-four large cities in the U.S. When compared with the actual expenditures for any given year, statewide equalization and district power equalizing clearly indicate a resource shift from some districts to others.[20]

The resource shift is made up of two parts, gains and losses due to increases and decreases in expenditures per pupil and losses and gains due to increases and decreases in tax revenues. Some districts will win on both counts (WIN-WIN districts), some will lose on both counts (LOSE-LOSE districts), some gain on one and lose on the other (WIN-LOSE and LOSE-WIN districts).[21]

If districts are separated by means of resource change category, ADA and ethnic ADA counted, and the results compared to the wealth status of the districts, a measure of the relative wealth and expenditure equity of the various proposed changes results. Tables VI and VII are the data on the ADA affected, and resources redistributed, by the proposed legislative alternatives mentioned above, namely district power equalizing and full state assumption.

In the next section we will discuss the relationship of these redistributed resources to district wealth in the 34 cities in Table V.

TAX AND EXPENDITURE EFFECTS OF ALTERNATIVE SCHOOL FINANCE FORMULAS: DISTRICT POWER EQUALIZING AND FULL STATE FUNDING
34 LARGE CITIES, 1971-72

TIES	1971-72 STATE & LOCAL REVENUES PER PUPIL	1971-72 LOCAL SCHOOL TAX RATES	DISTRICT POWER EQUALIZING: SIMULATED STATE AND LOCAL REVENUES PER PUPIL ASSUMING NO NEW STATE AID	DISTRICT POWER EQUALIZING: SIMULATED LOCAL SCHOOL TAX RATES ASSUMING NO NEW STATE AID	FULL STATE FUNDING: SIMULATED STATE AND LOCAL REVENUES PER PUPIL ASSUMING NO NEW STATE AID	FULL STATE FUNDING: SIMULATED LOCAL SCHOOL TAX RATES ASSUMING NO NEW STATE AID
STHEAST						
ltimore	$ 896	$ 11.66	$ 850	$ 12.28	$ 1138	$ 15.60
ston	918	29.24	962	27.91	943	28.67
ark	1088	37.67	2189	18.72	1189	20.46
falo	1067	14.39	1047	14.66	1413	19.32
York	1444	16.41	1194	19.85	1413	19.32
hester	1277	17.07	1242	17.55	1413	19.32
ladelphia	981	14.60	570	25.10	964	24.67
WEST						
cago	1024	13.00	796	16.72	1158	18.91
ianapolis	778	16.06	707	17.66	881	20.00
roit	803	10.38	751	11.10	1040	14.38
neapolis	1085	17.84	995	19.46	1013	18.17
sas City	549	6.04	355	9.34	703	11.96
Louis	698	11.07	654	11.82	759	12.85
cinnati	908	10.38	698	13.50	750	11.15
veland	744	10.86	730	11.06	750	11.15
lumbus	691	14.30	998	9.90	821	11.76
yton	965	10.83	728	14.34	750	11.15
lwaukee	962	17.66	983	17.27	1082	19.43
TH						
mi	814	10.82	867	10.82	734	9.16
Petersburg	637	11.45	918	7.95	734	9.16
lanta	856	12.30	509	20.70	571	13.81
isville	582	8.10	675	6.98	537	6.44
Orleans	621	3.25	244	8.26	743	9.88
las	679	9.23	290	21.58	688	21.87
ston	685	9.01	283	21.77	688	21.87
Antonio	592	8.50	267	18.82	688	21.87
T						
Angeles	1078	12.66	913	14.93	810	11.22
g Beach	955	10.15	732	13.23	810	11.22
erside	838	10.91	788	11.60	810	11.22
Diego	813	10.86	784	11.26	810	11.22
Francisco	1388	10.23	739	19.23	810	11.22
land	1014	12.80	924	14.05	810	11.22
ver	1143	16.89	722	26.73	919	18.01
tland	852	13.80	566	21.80	964	24.67
ERAGE	$ 845	$ 12.51	$ 739	$ 14.94	$ 841	$ 14.78

TABLE VI

ADA BY COLOR AND RESOURCE REDISTRIBUTION DUE TO DISTRICT POWER EQUALIZING ALTERNATIVE IN 34 LARGE CITIES, 1971-72

CITIES	ADA	BLACK	WHITE	CHANGE IN RESOURCES
WIN-WIN				
Boston	94,174	25,482	64,500	6,335,465
Columbus	110,699	28,729	81,655	41,709,035
Milwaukee	130,445	31,130	95,161	3,165,575
Miama	232,465	56,518	135,598	12,320,645
St. Petersburg	78,466	12,715	65,296	29,217,062
Louisville	85,846	3,213	82,524	11,096,554
TOTAL	732,095	157,787	524,734	104,448,336
WIN-LOSE				
Newark	75,960	55,057	13,716	93,235,027
TOTAL	75,960	55,057	13,716	93,235,027
LOSE-LOSE				
Baltimore	192,171	125,174	66,997	-10,648,078
Buffalo	72,115	26,381	43,942	-1,718,148
New York	1,063,787	334,841	467,865	-392,074,377
Rochester	47,372	43,679	32,016	-2,014,746
Philadelphia	282,617	166,083	109,512	-121,181,624
Chicago	582,274	308,266	219,478	-181,789,396
Indianapolis	108,587	36,577	72,010	-10,760,011
Detroit	296,097	175,316	116,250	-18,714,673
Minneapolis	70,006	5,235	62,490	-6,983,772
Kansas City	35,047	10,099	23,792	-7,576,912
St. Louis	115,582	73,408	41,812	-6,404,195
Cincinnati	86,807	37,275	49,231	-23,562,698
Cleveland	156,054	87,241	66,324	-2,759,895
Dayton	59,527	22,790	36,582	-17,701,332
Atlanta	34,147	3,213	82,524	-26,706,811
New Orleans	110,783	74,378	34,673	-46,970,837
Dallas	159,924	49,235	97,888	-97,721,503
Houston	246,098	81,966	131,099	-152,031,090
San Antonio	79,353	11,837	21,310	-34,988,044
Los Angeles	653,549	147,738	350,909	-1,125,356,605
Long Beach	72,065	5,489	61,454	-18,475,835
Riverside	26,799	1,827	21,833	-1,561,246
San Diego	128,914	15,004	98,163	-3,808,753
San Francisco	94,154	25,923	38,824	-63,138,394
Oakland	64,102	35,386	19,835	-7,061,084
Denver	96,577	13,639	63,398	-54,874,047
Portland	78,413	6,388	70,156	-53,863,765
TOTAL	5,012,921	1,894,388	2,500,367	-2,490,447,676

Source: Callahan, John J., et al, Urban Schools and School Finance Reform: Promise and Reality, The National Urban Coalition, 1974.

ADA BY COLOR AND RESOURCE REDISTRIBUTION DUE TO FULL STATE FUNDING ALTERNATIVE IN 34 LARGE CITIES, 1971-72

CITIES	ADA	BLACK	WHITE	CHANGE IN RESOURCES
WIN-WIN				
Baltimore	192,171	125,174	66,997	58,631,764
Boston	94,174	25,482	64,500	3,293,697
Newark	75,960	55,052	13,716	28,752,162
Columbus	110,699	28,729	81,655	12,061,239
St. Petersburg	78,466	12,715	65,296	12,501,198
TOTAL	551,470	247,156	292,164	115,240,060
WIN-LOSE				
Buffalo	72,115	26,381	43,942	58,029,840
Rochester	47,372	13,679	32,016	4,770,437
Chicago	582,274	308,266	219,478	-1,035,735
Indianapolis	108,587	36,577	72,010	3,672,965
Detroit	296,097	175,316	116,250	-20,912,742
Kansas City	35,047	10,099	23,792	4,352,394
St. Louis	115,582	73,408	41,812	3,921,056
Cleveland	156,054	87,241	66,324	-102,372
Milwaukee	130,445	31,130	95,161	10,995,902
New Orleans	110,783	74,378	34,673	6,626,618
Dallas	159,924	49,235	97,888	34,905,613
Houston	246,098	81,966	131,099	-52,777,541
San Antonio	79,353	11,837	21,310	-4,298,926
TOTAL	2,139,731	979,513	995,755	43,847,279
LOSE-LOSE				
New York	1,063,787	334,841	467,865	-139,672,567
Philadelphia	282,617	166,083	109,512	-53,006,587
Minneapolis	70,006	5,235	62,490	-5,779,609
Cincinnati	86,807	37,275	49,231	-15,031,769
Dayton	59,527	22,790	36,582	-13,147,619
Atlanta	34,147	3,784	30,305	-12,402,762
Long Beach	72,065	5,489	61,454	-10,517,306
Riverside	26,799	1,827	21,833	-849,795
San Diego	128,914	15,004	98,163	-1,018,967
San Francisco	94,154	25,923	38,824	-56,656,705
Denver	96,577	13,639	63,398	-23,540,156
Portland	78,413	6,388	70,156	-48,621,479
TOTAL	2,093,813	638,278	1,109,813	-380,245,321
LOSE-WIN				
Miami	232,465	56,518	135,598	-15,825,642
Louisville	85,846	3,213	82,524	750,658
Los Angeles	653,549	147,738	350,909	-124,823,537
Oakland	64,102	35,386	19,835	11,443,842
TOTAL	1,035,962	242,855	588,866	-128,454,679

Source: Same as Table VI

VI. FINDINGS

Tables VIII, IX and X combine the analyses presented above. In these tables we investigate which of two proposed alternative responses to Serrano v. Priest will have the most damaging effect on Black children.

All three tables draw extensively from the methodology of the recent work by Callahan et al, commissioned by the School Finance Subcommittee of the National Urban Coalition Education Task Force, of which this writer is a member. [22]

In Table VIII, the first set of entries show the change in total resources for the low wealth cities. The two-by-two table is a convenient way of representing WIN-WIN, WIN-LOSE, etc. status. All figures are in thousands of dollars, except those in parentheses, which are per pupil amounts.

For district power equalizing--the first column--in low wealth WIN-WIN cities (those that win on both increased expenditure and decreased taxes) the combined effect per pupil is an increase of $173.67. Those cities which lose on both counts, meanwhile, lose a per pupil amount from both effects of $-1066.03. The WIN-LOSE category, however, looks like it makes a substantial offset, since it is the high, positive figure of $1227.42.

But a glance at the same data entries in Table IX reveal that this category of the table relates to only 4.2% of the pupils under discussion, whereas the WIN-WIN and LOSE-LOSE categories involve 28.5% and 67.3% of the ADA, respectively. The LOSE-WIN quadrant,

NET CHANGE IN TOTAL RESOURCES DUE TO ALTERNATIVE PROPOSED RESPONSES TO SERRANO V. PRIEST, BY WIN/LOSE STATUS--AND RATIO-TO-AVERAGE CATEGORIES
34 LARGE U.S. CITIES, 1970-71

		DISTRICT POWER EQUALIZING		FULL STATE FUNDING	
		W	L	W	L
age and w Average DA	W	$89,583 ($173.67)	$93,235 ($1227.42)	$115,240 (208.96)	$97,287 ($364.25)
	L	0	-$1,298,446 (-$1066.03	-$140,650 (-$158.74)	-$49,471 (-$470.20)
		Net change, low wealth cities: -$1,115,628 (-$616.44)		Net change, low wealth cities: -$22,406 (-$12.38)	
		W	L	W	L
e age DA	W	-$14,863 ($68.72)	0	0	$76,851 ($41.03)
	L	0	$1,193,999 (-$314.63)	$12,195 ($81.35)	-$330,775 (-$166.33)
		Net change, high wealth cities: -$1,179,136 (-$293.96)		Net change, high wealth cities -$241,729 (-$60.26)	
		Net change DPE All wealth levels: -$2,294,264 (-$394.22)		Net change, FSF All wealth levels: -$264,135 (-$45.37)	

Source: Same as Table VI.

[1] Change in total resources =change in expenditures per pupil minus change in tax revenues. All numbers in thousands except per pupil figures in parentheses.

TABLE IX

ADA AFFECTED BY ALTERNATIVE PROPOSED RESPONSES TO SERRANO V. PRIEST, BY WIN/LOSE STATUS AND RATIO-TO-AVERAGE WEALTH CATEGORIES: 34 LARGE U.S. CITIES, 1970-71

TOTAL ADA, LOW WEALTH CITIES: 1,809,782 (31.1%)

		DISTRICT POWER EQUALIZING		FULL STATE FUNDING	
		W	L	W	L
verage nd Below verage V/ADA	W	515,804 (28.5)	75,960 (4.2)	551,470 (30.5)	267,086 (14.8)
	L	0	1,218,018 (67.3)	886,014 (48.9)	105,212 (5.8)

TOTAL ADA, HIGH WEALTH CITIES: 4,011,194 (68.9%)

		W	L	W	L
bove verage V/ADA	W	216,291 (5.4)	0	0	1,872,645 (46.7)
	L	0	3,794,903 (94.6)	149,948 (3.7)	1,988,601 (49.6)

TOTAL ADA, ALL CITIES: 5,820,976 (100%)

Sources: Same as Table VI.

Notes: Figures in parentheses are percentages of total ADA in each wealth level for each alternative.

BLACK ADA AFFECTED BY ALTERNATIVE PROPOSED RESPONSES TO SERRANO V. PRIEST, BY WIN/LOSE STATUS AND RATIO-TO-AVERAGE WEALTH CATEGORIES: 34 LARGE U.S. CITIES, 1970-71

		DISTRICT POWER EQUALIZING		FULL STATE FUNDING	
BLACK ADA, LOW WEALTH CITIES: 545,338 (25.9%)					
		W	L	W	L
Average and Below Average AV/ADA	W	123,444 (22.6)	55,052 (10.1)	247,152 (45.3)	85,715 (15.7)
	L	0	366,842 (67.3)	204,256 (37.5)	8,215 (1.5)
BLACK ADA, HIGH WEALTH CITIES: 1,562,460 (74.1%)					
		W	L	W	L
Above Average AV/ADA	W	34,343 (2.2)	0	0	893,798 (57.2)
	L	0	1,528,117 (97.8)	38,599 (2.5)	630,063 (40.3)
BLACK ADA, ALL CITIES: 2,107,798 (100%)					

Sources: Same as Table VI

Notes: Figures in parentheses are percentages of Black ADA in each wealth level for each alternative.

i.e., the ADA in those cities which wind up with reduced expenditures per pupil, but also reduced tax rates, is zero.

The net effect of all this on the relatively low wealth cities, is a loss in combined expenditures and tax revenues of over a billion dollars, which on a per pupil basis amounts to a $616.44 decrease.

Before we compare these relatively low wealth cities to the high wealth cities in the two-by-two table just below it (and labled Above Average AV/ADA on the stub), let us first compare the differences for these same low wealth cities under the simulated full state funding alternative. Note here that the per pupil amounts in the WIN-WIN quadrant is larger, and in the LOSE-LOSE quadrant it is smaller. This is a clear indication that school children in low wealth cities are decidedly better off under the full state funding plan. The overall net change for low wealth cities of $-22,406,000 or $-12,38 per pupil is confirmation of this observation.

But since the full state funding simulation differs from the district power equalizing alternative in that all of the quadrants have data entries, we cannot say on the basis of what is in each quadrant which area is the better off on all counts.

The summary figure called "net change, low wealth cities" below this quadrant is useful at this point. In this case it is $-12.38 per pupil, which when compared with a decrease per pupil of $-616.44 is clearly a preferred situation.

When we turn our attention back to the lower half of the table

and compare WIN-LOSE outcomes for high wealth districts, we are again persuaded that full state funding is a more rewarding alternative. The net change statistic for high wealth cities under district power equalizing is $-293.96 per pupil, while in the case of full state funding, that figure drops to $-60.26 per pupil.

As further proof of the preference of full state funding over district power equalizing as simulated here, the overall summary statistic at the very bottom of both columns is $-394.22 for district power equalizing and $-45.37 for full state funding. This means that choosing the former over the latter as the legislative response to Serrano is equivalent to taking $348.85 from each of the children in these cities, or $5,820,976,000 in total.

BLACK CHILDREN BY WEALTH AND WIN-LOSE STATUS*

Table X shows Black children in low wealth areas in essentially the same circumstances as non-Black under district power equalizing. If anything, Black children are slightly worse off. There are proportionately fewer of them in the WIN-WIN category (22.6% for total ADA) but there is exactly the same proportion in the LOSE-LOSE quadrant.

Under full state funding, Black children in low wealth cities are decidedly better off than total school children. The WIN-WIN

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*It has been assumed all along that Black children in the large cities we are studying are allocated equal dollars per pupil amounts equal to their non-Black counterparts, an assumption which is at least arguable. But whatever discrepancies arise, we expect to be in the direction of strengthening rather than weakening our analysis.

quadrant contains 45.3% of Black children compared to only 30.5% of the total ADA. The LOSE-LOSE quadrant for both are small, but the Black proportion is the smallest, 1.5% compared to 5.8% for total ADA.

In above average assessed valuation per ADA districts, Black children are again worse off than the total student population. Proportionately fewer Black children are in the WIN-WIN status under district power equalizing (2.2% compared to 5.5% for the total population while proportionately more are in the LOSE-LOSE quadrant (97.8% compared to 94.6% for total ADA).

Under full state funding, neither group is present in the WIN-WIN quadrant, but Black people have proportionately fewer in the LOSE-LOSE quadrant (40.34% compared to 49.6% for total ADA).

SIGNIFICANCE OF FINDINGS FOR BLACK ADA

At this point, we can profitably return to our original reasons for developing the data in this manner. At the outset of this paper, we posed the question: are Black students among the "wealth-disadvantaged"; i.e., the plaintiff class in Serrano vs. Priest and her sister cases? And what does their distribution relative to wealth mean in terms of potential inequities in expenditures resulting from different Serrano solutions.

What the simulations say about wealth inequities is that Black children in the thirty-four cities studied in this section tend to be present in high wealth cities more than low (74.1% to 25.9%: see Table X); and tend to be present in high wealth cities at a greater rate than total ADA (74.1% to 68.9%: see Tables IX and X).

Since this analysis used only large city data, it is clear that the results cannot be generalized to include smaller cities or rural areas. But Black students, North and South, have gravitated toward these cities in the past few decades at a rate which renders this area the only justifiable one for an analysis of future developments in school finance.

Regarding expenditure inequities, we have only looked at two alternatives, but they show clear polarities in their outcomes. If we heroically assume that Black children get amounts equal to the total ADA within districts, the per pupil gains and losses (figures in parentheses) in Table VIII apply to Black as well as total ADA.

Under district power equalizing, low wealth ADA loses $616.44 per pupil as compared to a loss of only $293.96 per pupil in high

wealth cities. Under full state funding, low wealth ADA loses only $12.38 per pupil as compared to $60.26 in high wealth cities. This loss simulated the total resource difference between the actual allocation and that allocation we would expect under the stipulated model.

In other words, the district power equalization simulation is clearly less equalizing for Black ADA than is full state funding, given the assumptions of the models and the current distribution of Black ADA among the cities under review. Even under full state funding there is a net resource loss to the cities, but of much smaller magnitude; and within the full state funding models, the greater per pupil loss is incurred by the high wealth, not the low wealth cities.

Moreover, by relaxing some of the assumptions of the simulation models, we obtain some further insights on the observed outcomes.

We assumed that in contrast to visible interdistrict inequities, Intradistrict allocations of funds received by the district are equitable. But Title I comparability studies tell us that this is an unwarranted assumption in districts with Title I programs for two reasons.[23] First of all, longevity is excluded from the comparability computations, and we suspect senior teachers are in the more privileged schools (which are invariably in the white areas). Secondly, even after longevity is eliminated, Title I audit reports are still found to be out of comparability.[24] We may conclude on those two counts that Black pupils tend to get less than white out of Intradistrict per pupil allocations.

Furthermore, in a study of eleven states which passed substantial change in their school finance programs during 1972-73, Grubb[25] found that nine passed some form of district power equalizing legislation, but only one allowed "recapture".[26] Recapture is one of the equalizing features of district power equalizing. When high wealth districts tax themselves according to the same schedule as low wealth districts, it is expected that the deficits in the low wealth case will be in part, made up by overages in the high wealth case. But in eight of the nine states, wealthy districts are protected from this recapture possibility by "save harmless" clauses which prohibit loss of resources due to recapture.[27]

The importance of this observation arises from the fact that most of the cities with substantial absolute numbers of Black ADA are above the median, but not by much. Few of them can hardly be considered "wealthy" in the sense of the extreme levels of assessed valuation per pupil attained by many white districts.[28] Thus, the loss of the recapture aspect of district power equalizing means that the wealthy districts nearer the median must make up the difference. Note that the assumption structure in most simulation methodologies, including Callahan's which is used here, does not take account of this fact.[29]

States can, however, make up for this outflow of Black resources and the resulting inequities simply by adding substantial amounts of state revenues to the education fund, and restricting the amount of allowable increase in tax rates or revenue. But in 11 states passing school finance legislation last year, all but one allows voters to override these restrictions.[30] Again, because Black people are

often in relatively small proportions where their absolute numbers are large, their preference patterns may never emerge; i.e., white districts may decide to override their restrictions while districts with substantial numbers of Blacks may not. Aggravating this possibility is the population composition in the center city. Increasingly, the younger and married voters are fleeing to the suburbs, leaving the older and the unrelated voters who are much less inclined to vote in favor of education tax overrides.

VII. CONCLUSIONS

In the foregoing we have seen that it is entirely possible for the states to comply with Serrano completely, guaranteeing equality of expenditutes to all children, and yet cause Black children to lose resources, i.e. equality does not imply equity where the former means only evenness of resource allocation while the latter means fairness.

The importance of this observation is due to the fact that education failure is not a random phenomenon. More than anywhere else, it tends to cluster in the inner city.[31] And because of the migration trends of Black people toward the center cities, it is they who are the victims of massive failure in the elementary and secondary education system. Achieving equality of experditure among districts under these circumstances, therefore, can only be regarded as a means toward the more important end of expenditure equity.

The road to equity for Black children in education, however, promises to be a rough one. Practically all of the doors that seemed to be ajar during the 1960's are being slammed shut in the 1970's. The courts have undone much of Brown vs Board of Education in the Rodriquez language, and particularly the implication that education is a fundamental right. They have given some hope through Hobson vs Hansen, (see page 9 above) and the Chinese School Children Case, but have removed even more in McGinnis vs Ogilvie (see page 9 above) in which special needs of the poor and minorities as a reason for more money was denied. Similarly disappointing have been recent reviews of multi-member district suits,[32] which were the hope of the education reformer in changing the at-large elections with which a white minority

is able to completely frustrate the Black population by allowing them no Board representation whatsoever, as in Los Angeles.

Education reformers concerned with the education of Black children therefore, must be willing to take certain hard-nosed stands on the basis of current knowledge, and to continuously work toward the development of new knowledge to retest the validity of these positions.

The first position taken must be to educate the courts regarding what human capital economists are saying about the existence of demonstrable needs on the part of Black children for extra educational resources, just as the Chinese, spanish-speaking and other bilingual children have in the way of language.

Our observations about the dimensions of inequity other than wealth on page 9 must take the form of research to test the extent to which Black children are indeed victims of greater disparities in cost, need and tax effort as well as wealth.

We must also take a position to educate the legislature regarding the harm to Black children of "save harmless" and similar clauses for the extremely wealthy. The bill left unpaid by the rich are paid by those at or slightly above the median. The research that is needed to affirm this position is much more detailed than the research undertaken here, although it involves the same concepts. The distribution of Black ADA around the median wealth and expenditure levels in each state, and the elasticity of the change in total resources to changes inherent in legislative provisions must be thoroughly analyzed.

What the court did not say in Serrano and her sister cases regarding the important and related concepts of intradistrict finance and

governance must also be researched. To the extent that equity of resource allocation does not exist on the intradistrict level, the position must be taken that whatever resource commitment is necessary to bring the Black schools up to the more privileged areas be made, whatever the reasons given for greater expenditures at the white schools. The most frequent reason is that there are more senior teachers at the privileged schools because of the reward system that operates within most districts. The position should be taken in that case that the same per pupil resources be made available to the Black schools regardless of the the absence of the senior teachers. The Black schools could then purchase either more senior teachers or more aides for their present staff with the increment.

A position also needs to be taken regarding the lack of accountability and accounting in the education system. Until school by school accounting becomes a reality in every state, as it has just been mandated by the Florida Legislature [33] we will not be able to ascertain whether Black children are obtaining fewer resources than white children as it is so frequently alleged.

Because the pendulum completed its swing in the direction of quality education for Black children with the ascent of the Burger court, the need to hold firm to these positions and the development of the research to validate or invalidate them is urgent. Future Serranos cannot be allowed to ignore their racial dimensions.

FOOTNOTES

1. Serrano v Priest 96 Cal. Reptr. 601, 487 p2d 1241 (1971)

2. California Constitution, Article I, Sections 11 and 21

3. 96 Cal Reptr. 601, 487 p2d 1241

4. San Antonio Independent School District v Rodriquez, 411 U.S. 1(1973)

5. Brown v Board of Education of Topeka Kansas, (1954) 347 U.S. 483

6. See, e.g. special edition of Harvard Educational Review, Vol. 38, Winter 1968

7. Reischauer, Robert
   Washington, D.C. The Brookings Institution, 1973

8. McGinnis v Ogilvie, 394 U.S. 322 (1969); McGinnis v Shapiro, 193 F Suppl. 327 (N.D., Ill. 1968)

9. Hobson vs Hansen 269 F Suppl. 401 (1967); 327 F. Suppl. 844 (1971)

10. Amicus Brief to 411 U.S. 1 (1973)

11. Becker, Gary S. Human Capital. (New York: National Bureau of Economic Research, 1964)

11.a The method we use is deliberately simplistic in order to maximize its explainability to the maximum number of persons interested in the programs of the Education Finance Reform Project.

12. The definition of average daily attendance is the sum of the attendances each month for 12 months, divided by 12

13. The median is defined as that number which divides a distribution into two equal parts. Therefore, when the cumulative percentage reaches 50%, that number is by definition the median.

14. These cumulative percentage tables were developed by John Mockler of the Ways and Means Committee of the California State Assembly.

15. Callahan, John, et al, "Ruban Schools and School Finance Reform: Promise and Reality", National Urban Coalition, Washington, D.C., July 1973

16. Chart I contains exactly the same information as summarized in Table II, except the zero point of the axes is at the lower left corner rather than the upper left.

17. The distribution of ADA by wealth is found in the last column of the table.

18. Hawaii is the only state with a full state funding mechanism in operation. According to Norton Grubb of the Childhood and Government project in Berkeley, twelve states had some kind of district power equalizing mechanism as of 1971-72, and six more adopted them in 1972-73.

19. The formula for a full state funding finance model relates a set expenditure level to a set tax rate. Since both are uniformly set by the state, it is depicted by a point on the graph relating expenditures to tax rates.

20. The district power equalzing formula makes expenditures a function of a uniform wealth base and the average assessed valuation of the districts.

21. Thus some of the WIN-WIN and LOSE-LOSE amounts per pupil appear excessively large. It must be kept in mind that this figure represents the combination of both expenditure and revenue changes per pupil.

22. Other members are G. T. Bowden (Chairman) of A.T.&T., Dr. Jose A. Cardenas, Director of Texans for Educational Excellence; Dr. Earl M. Lewis, Director, Urban Studies Program, Trinity University; Aubrey McCutcheon, Deputy Superintendent of Detroit Public Schools and Ms. Jimmie Marie Thomas, School District of Kansas City, Missouri.

23. The Lawyer's Committee on Civil Rights Under Law has issued a number of reports regarding the fact that over 80 per cent of the districts have been found in noncompliance with the comparability provisions of Title I.

24. Regional auditors have the responsibility to examine a sample of the district comparability reports. The western regional auditor found numerous examples of non-compliance in his region.

25. Grubb, W. Norton, "New Programs of State School Aid," unpublished, n.d.

26. Ibid. Colorado, Florida, Illinois, Kansas, Maine, Michigan, Montana, Utah and Wisconsin are the nine states. Only Maine allowed recapture.

27. Minimum state grants are used in all districts for the same purpose, i.e. to insure that state aid will be non-negative in all districts.

28. San Francisco and Atlanta are two of the outstanding eceptions.

29. Callahan's simulation methodology may be reviewed in the back of his monograph.

30. Wisconsin does not permit overrides.

31. Benson, Charles, Robert Singleton, et. al., Final Report to the Senate Select Committee on School District Finance, Volume I, June 1972.

32. Reynolds v Sims is the classic case which established the ban on multimember districts. But recent language of the Burger court is treatening that posture.

33. This was the recommendation of a governor's Committee on education. See Governor's Citizens Commission on Education, Improving Education in Florida, March 1973.

CUMULATIVE PERCENT ADA AND BLACK ADA FOR STATES RANKED BY AV/ADA, U.S.

ATE	AV/ADA	TOTAL	BLACK	PERCENT OF ADA	U.S. BLACK ADA	CUMUL. ADA	PER BLA AD
Wis.	49,412	442,441	3,729	1.02	0.59	1.02	0.
Oreg.	44,509	455,141	7,413	1.05	0.12	2.07	0.
New Hamp	34,513	132,212	537	0.30	0.01	2.37	0.
Alaska	33,845	71,797	2,119	0.17	0.03	2.54	0.
Florida	32,709	1,340,665	311,491	3.09	4.96	5.63	5.
Ky	30,792	695,611	63,995	1.60	1.02	7.23	6.
D.C.	30,392	148,725	139,006	0.34	2.21	7.57	8.
N.J.	30,009	1,401,925	208,481	3.23	3.32	10.80	12.
Conn.	29,466	632,361	52,550	1.46	0.84	12.26	13.
R.I.	24,364	172,264	8,047	0.40	0.13	12.66	13.
Maine	22,579	220,336	1,429	0.51	0.02	13.17	13.
Illinois	22,059	2,252,321	406,351	5.20	6.47	18.37	19.
Md.	21,414	859,440	201,435	1.98	3.21	20.35	22.
Mass.	21,113	1,097,221	46,675	2.53	0.74	22.88	23.
Vermont	20,987	73,570	90	0.17	0.001	23.05	23.
Nebr.	20,489	266,342	12,340	0.61	0.20	23.66	23.
Wash.	19,223	791,227	19,145	1.83	0.30	25.49	24.
N.C.	18,082	1,199,481	352,151	2.77	5.61	28.26	29.
New York	17,977	3,364,090	473,253	7.76	7.53	36.02	37.
Mich.	17,649	2,073,369	275,878	4.78	4.39	40.80	41.
Nevada	17,523	119,160	9,189	0.27	0.15	41.07	41.
Wyoming	17,436	79,091	665	0.18	0.01	41.25	41.
Ohio	16,992	2,400,290	287,440	5.54	4.58	46.79	46.
West Va.	16,246	404,582	20,431	0.93	0.33	47.72	46.
Tenn.	16,021	567,469	184,692	1.31	2.94	49.03	49.
Va.	15,142	1,041,057	245,026	2.40	3.90	51.43	53.
Delaware	14,678	123,863	24,016	0.29	0.38	51.72	53.
Kansas	12,484	518,733	30,834	1.20	0.49	52.92	54.
Calif.	12,457	4,477,381	387,978	10.33	6.18	63.25	60.
Mo.	12,330	954,596	13,812	2.20	2.20	65.45	62.
Georgia	11,843	1,001,245	314,918	2.31	5.01	67.76	67.
Iowa	11,760	651,705	9,567	1.50	0.15	69.26	68.
S. Dak.	10,846	146,407	384	0.33	0.01	69.59	68.
Colorado	10,506	519,092	17,797	1.20	0.28	70.79	68.
Indiana	9,896	1,210,539	106,178	2.79	1.70	73.58	70.
Texas	9,472	2,510,358	379,813	5.79	6.05	79.37	76.
Penn.	9,184	2,296,011	268,514	5.30	4.27	84.67	80.
Arizona	8,656	366,459	15,783	0.85	0.25	85.52	80.
New Mex.	7,870	271,040	5,658	0.63	0.09	86.15	80.
Montana	7,603	127,059	102	0.29	0.002	86.44	80.
Okla.	6,658	548,501	48,851	1.27	0.78	87.71	81.
Utah	6,485	303,152	1,486	0.70	0.02	88.41	81.
Alabama	6,357	770,523	292,248	1.78	4.65	90.19	86.
Idaho	5,904	174,472	415	0.40	0.01	90.59	86.
La.	5,697	817,000	317,268	1.88	5.05	92.47	91.
Arkansas	5,587	415,613	106,533	0.96	1.70	93.43	92.
N. Dak.	5,388	115,995	458	0.27	0.01	93.70	92.
Miss.	4,322	456,532	223,784	1.05	3.56	94.75	96.
Minn.	3,757	856,506	9,016	1.98	0.14	96.73	96.
S.C.	2,326	603,542	238,036	1.39	3.79	99.9	100.

TABLE A-2

Cummulative Percent ADA and Minority Group ADA
In California Unified School Districts, Ranked by
Assessed Valuation, 1972-73

ASVAL/ADA	DISTRICT	ADA	% ADA	CUM.% ADA	CUM.%BLK	CUM.%SPN
82060	EMERY UNIF.	603	0.02	0.0	0.1	0.0
53304	BEVERLY HILLS UNIF.	5903	0.20	0.2	0.1	0.0
53221	MOJAVE UNIF.	1464	0.05	0.3	0.1	0.1
49175	PRINCETON JOINT UNIF. CO	350	0.01	0.3	0.1	0.1
46076	EL SEGUNDO UNIF.	3272	0.11	0.4	0.1	0.2
45120	MAXWELL UNIF.	248	0.01	0.4	0.1	0.2
44579	TAHOE-TRUCKEE JT. UNIF.	2531	0.08	0.5	0.2	0.2
42397	MIDDLETOWN UNIF.	344	0.01	0.5	0.2	0.2
39319	MENDOCINO UNIF.	494	0.02	0.5	0.2	0.2
39164	JOHN SWETT UNIF.	1900	0.06	0.6	0.2	0.2
38836	CARMEL UNIF.	3045	0.10	0.7	0.2	0.2
38739	RIM OF THE WORLD UNIF.	2567	0.08	0.8	0.2	0.2
37987	PIERCE JT. UNIF. CO 57	825	0.03	0.8	0.2	0.3
36715	BENICIA UNIF.	1874	0.06	0.8	0.2	0.3
35154	PALM SPRINGS UNIF.	6661	0.22	1.1	0.4	0.6
34885	RIVER DELTA JT UNIF. COS	2741	0.09	1.2	0.4	0.7
34711	MARICOPA UNIF.	412	0.01	1.2	0.4	0.7
34266	PLUMAS UNIF.	2869	0.09	1.3	0.4	0.7
33097	BIG PINE UNIF.	301	0.01	1.3	0.4	0.7
32108	KELSEYVILLE UNIF.	698	0.02	1.3	0.4	0.7
31959	SAN FRANCISCO UNIF.	77343	2.56	3.9	6.9	3.1
31858	LAGUNA BEACH UNIF.	3030	0.10	4.0	6.9	3.1
31545	SHORELINE JOINT UNIF. CO	902	0.03	4.0	6.9	3.1
31404	BEAR VALLEY UNIF.	1640	0.05	4.0	6.9	3.1
31196	COALINGA JOINT UNIF. COS	2404	0.08	4.1	6.9	3.3
29540	SANTA MONICA UNIF.	13578	0.44	4.6	7.2	3.6
29165	SOUTHERN KERN UNIF.	1144	0.04	4.6	7.2	3.7
28292	MARIPOSA COUNTY UNIF.	1264	0.04	4.6	7.2	3.7
27869	LAKE TAHOE UNIF.	3680	0.12	4.8	7.2	3.7
27656	WILLIAMS UNIF.	545	0.02	4.8	7.2	3.7
27634	KONOCTI UNIF.	1203	0.04	4.8	7.2	3.7
27569	ST. HELENA UNIF.	1420	0.05	4.9	7.2	3.8
27415	ORO MADRE UNIF.	1385	0.05	4.9	7.2	3.8
27314	SAN LEANDRO UNIF.	9637	0.32	5.2	7.2	4.1
26624	DURHAM UNIF.	765	0.03	5.3	7.2	4.1
26525	CALAVERAS UNIF.	1691	0.06	5.3	7.2	4.1
26243	FALL RIVER JT. UNIF. COS	1515	0.05	5.4	7.2	4.1
25546	LA HONDA-PESCADERO UNIF.	477	0.02	5.4	7.2	4.1
25525	SIERRA-PLUMAS JT. UNIF.	659	0.02	5.4	7.2	4.1
25344	CALISTOGA JOINT UNIF. CO	562	0.02	5.4	7.2	4.1
25174	BURBANK UNIF.	13510	0.45	5.9	7.2	4.5
25159	ROUND VALLEY UNIF.	374	0.01	5.9	7.2	4.5
25018	BIG VALLEY JOINT UNIF. C	343	0.01	5.9	7.2	4.5
24802	BIGGS UNIF.	605	0.02	5.9	7.2	4.5
24563	DESERT CENTER UNIF.	956	0.03	5.9	7.2	4.5
24345	PITTSBURG UNIF.	5696	0.19	6.1	7.7	4.7
23723	JOHE UNIF.	573	0.02	6.1	7.7	4.7
23272	DIPON UNIF.	1765	0.04	6.2	7.7	4.8
23253	SAN LUIS COASTAL UNIF.	6962	0.23	6.4	7.7	4.9
22564	NEEDLES UNIF.	1393	0.05	6.5	7.7	4.9
22551	PALO ALTO CITY UNIF.	14540	0.48	6.9	7.9	5.0
22257	GEYSERVILLE UNIF.	302	0.01	7.0	7.9	5.0
21956	ANDERSON VALLEY UNIF.	392	0.01	7.0	7.9	5.0
21760	TRONA JOINT UNIF. CO 14	1020	0.03	7.0	7.9	5.1
21350	LONE PINE UNIF.	574	0.02	7.0	7.9	5.1

Source: California Legislature, Ways and Means Committee

TABLE A-2 (Cont.)

Cumulative Percent ADA and Minority Group ADA
In California Unified School Districts, Ranked by
Assessed Valuation, 1972-73

ASVAL/ADA	DISTRICT	ADA	% ADA	CUM.% ADA	CUM.%BLK	CUM.%BRN
20838	MONTEBELLO UNIF.	24392	0.81	7.8	7.9	7.9
20326	TEHACHAPI UNIF.	1713	0.06	7.9	7.9	7.9
20179	MODOC-TULELAKE JT. UNIF.	1903	0.06	7.9	7.9	8.0
20095	MOUNTAIN EMPIRE UNIF.	992	0.03	8.0	7.9	8.0
19976	CARPINTERIA UNIF.	2386	0.08	8.1	7.9	8.1
19849	NEWMAN-CRUSTILE JOINT UNI	2332	0.08	8.1	7.9	8.2
19712	CAPISTRANO UNIF.	8086	0.29	8.4	7.9	8.4
19688	SAN MARINO UNIF.	3592	0.12	8.5	7.9	8.4
19544	CULVER CITY UNIF.	6909	0.23	8.8	7.9	8.6
19458	NEWPORT-MESA UNIF.	26615	0.88	9.7	7.9	8.8
19398	MARTINEZ UNIF.	4919	0.16	9.8	7.9	8.9
19362	COLUSA UNIF.	1330	0.04	9.9	7.9	8.9
19134	LAS VIRGENES UNIF.	5968	0.20	10.1	7.9	8.9
19116	SOUTHERN HUMBOLDT UNIF.	1186	0.04	10.1	7.9	8.9
19027	HEMET UNIF.	5928	0.20	10.3	7.9	9.1
18660	BERKELEY CITY UNIF.	15361	0.51	10.8	9.7	9.2
18557	ESPARTO UNIF.	783	0.03	10.8	9.7	9.2
18517	TEMPLETON UNIF.	412	0.01	10.8	9.7	9.2
17541	SOUTH SAN FRANCISCO UNIF	13539	0.45	11.3	9.8	9.7
17474	MORONGO UNIF.	4136	0.14	11.4	9.8	9.7
17250	DIXON UNIF.	2000	0.07	11.5	9.8	9.8
17250	WILLOWS UNIF.	1776	0.06	11.6	9.8	9.8
17212	LONG BEACH UNIF.	65046	2.18	13.7	11.6	10.8
16979	BREA-OLINDA UNIF.	4567	0.15	13.9	11.6	10.9
16928	PASADENA CITY UNIF.	27962	0.92	14.8	14.1	11.4
16910	GLENDALE UNIF.	1405	0.05	14.9	14.1	11.4
16892	DESERT SANDS UNIF	7759	0.26	15.1	14.2	12.0
16794	JACKSON UNIF.	735	0.02	15.1	14.2	12.0
16645	LINDEN UNIF.	2113	0.07	15.2	14.2	12.1
16528	ESCALON UNIF.	2110	0.07	15.3	14.2	12.1
16494	INGLEWOOD UNIF.	13422	0.44	15.7	15.4	12.4
16492	SONOMA VALLEY UNIF.	3868	0.13	15.8	15.4	12.4
16437	LOS POLINOS UNIF.	569	0.02	15.9	15.4	12.5
16363	GLENDALE UNIF.	24070	0.80	16.7	15.4	13.0
16254	FOWLER UNIF.	2032	0.07	16.7	15.5	13.2
16183	SAN LORENZO VALLEY UNIF.	2741	0.09	16.8	15.5	13.2
16112	IMPERIAL UNIF.	1450	0.05	16.9	15.5	13.4
15962	WILLITS UNIF.	1942	0.06	16.9	15.5	13.4
15721	PIEDMONT CITY UNIF.	2624	0.09	17.0	15.5	13.4
15532	OAKLAND CITY UNIF.	61412	2.04	19.1	25.3	14.5
15445	LOS BANOS UNIF.	3360	0.11	19.2	25.3	14.6
15428	FILLMORE UNIF.	2770	0.09	19.3	25.3	14.9
15407	CALIPATRIA UNIF.	1201	0.04	19.3	25.4	15.0
15273	KLAMATH-TRINITY UNIF. CO	1277	0.04	19.3	25.4	15.0
15254	ANTIOCH UNIF.	8345	0.28	19.4	25.4	15.2
14868	SANTA ANA UNIFIED	27918	0.92	20.5	26.0	17.2
14759	MORGAN HILL UNIF.	4570	0.15	20.7	26.0	17.5
14615	CORONADO CITY UNIF.	3226	0.11	20.8	26.0	17.6
14534	VENTURA UNIF.	17995	0.59	21.4	26.1	18.1
14360	LAKEPORT UNIF.	1213	0.04	21.4	26.1	18.1
14332	DAVIS JT. UNIF. CO 48	5432	0.18	21.6	26.1	18.2
14149	LA CANADA UNIF.	4940	0.16	21.8	26.1	18.2
14144	HOLTVILLE UNIF.	1949	0.06	21.8	26.1	18.3
14094	PATTERSON JT. UNIF. CO 4	2198	0.07	21.9	26.1	18.6
13937	PARADISE UNIF.	2796	0.09	22.0	26.1	18.6

Source: California Legislature, Ways and Means Committee

TABLE A-2 (Cont.)

Cummulative Percent ADA and Minority Group ADA
In California Unified School Districts, Ranked by
Assessed Valuation, 1972-73

ASVAL/ADA	DISTRICT	ADA	% ADA	CUM.% ADA	CUM.%BLK	CUM.%SPN
13611	ARCADIA UNIF.	10317	0.34	22.3	26.1	18.7
13695	TORRANCE UNIF.	34944	1.15	23.5	26.1	19.1
13694	LOS ANGELES UNIFIED	669710	22.14	45.6	67.7	48.9
13640	WOODLAND JT. UNIF. CO 51	7096	0.23	45.9	67.7	49.3
13611	CARRILLO UNIF.	2795	0.09	46.0	67.7	49.3
13539	PACIFIC GROVE UNIF.	3661	0.12	46.1	67.8	49.3
13468	DOWNEY UNIF.	18027	0.60	46.7	67.8	49.7
13361	LODI UNIF.	11802	0.39	47.1	67.8	50.0
13310	PLACENTIA UNIF.	13088	0.43	47.5	67.8	50.4
13290	FORT BRAGG UNIF.	2560	0.08	47.6	67.8	50.4
13210	PALOS VERDES PENINSULA U	18120	0.60	48.2	67.8	50.4
13113	SOUTH PASADENA UNIF.	4129	0.14	48.3	67.8	50.5
13067	RICHMOND UNIF.	40376	1.33	49.7	72.8	51.8
13050	SAN JOSE CITY UNIF.	37675	1.25	50.9	71.0	52.9
12900	WINTERS JT. UNIF. COS 28	1161	0.04	50.9	71.0	53.0
12936	ALBANY CITY UNIF.	2631	0.09	51.0	71.0	53.0
12935	DENAIR UNIF.	699	0.02	51.1	71.0	53.1
12857	LINDSAY UNIF.	2290	0.09	51.1	71.0	53.3
12765	LIVE OAK UNIF.	1267	0.04	51.2	71.0	53.3
12483	SANTA CLARA UNIF.	23956	0.79	52.0	71.1	54.1
12460	ATASCADERO UNIF.	3048	0.10	52.1	71.1	54.1
12392	MONROVIA UNIF.	6897	0.23	52.3	71.3	54.2
12322	YUBA CITY UNIF.	7702	0.25	52.5	71.4	54.4
12282	HILMAR UNIF.	1368	0.05	52.6	71.4	54.4
11905	MADERA UNIF.	7679	0.25	52.8	71.5	55.1
11869	SAN PASQUAL VALLEY UNIF.	646	0.02	52.9	71.5	55.1
11825	FONTANA UNIF.	13496	0.45	53.3	71.7	55.6
11769	PARAMOUNT UNIF.	9465	0.31	53.6	71.7	56.0
11768	BEAUMONT UNIF.	2482	0.08	53.7	71.7	56.1
11749	RAMONA UNIF.	1773	0.06	53.8	71.7	56.1
11696	RIVERSIDE UNIF.	26718	0.88	54.6	72.3	56.8
11690	PALO VERDE UNIF.	3978	0.13	54.8	72.4	57.1
11674	SAN DIEGO CITY UNIF.	132810	4.39	59.2	76.7	59.9
11661	GILROY UNIF.	5235	0.17	59.3	76.7	60.5
11634	PAJARO VALLEY UNIF. COS	12949	0.43	59.8	76.7	61.3
11598	SAN RAMON VALLEY UNIF.	10396	0.34	60.1	76.7	61.6
11511	WESTERN PLACER UNIF.	2125	0.07	60.2	76.7	61.4
11508	NEW HAVEN UNIF.	6892	0.23	60.4	76.8	61.9
11456	DEL NORTE COUNTY UNIF.	3905	0.13	60.5	76.8	61.9
11432	BARSTOW UNIF.	9694	0.32	60.9	76.9	62.4
11264	CHICO UNIF.	9416	0.31	61.2	77.0	62.5
11230	UKIAH UNIF.	6196	0.20	61.4	77.0	62.5
11189	PORAY CITY UNIF.	8764	0.28	61.7	77.0	62.5
10976	OJAI UNIF.	3582	0.12	61.8	77.0	62.5
10967	WESTWOOD UNIF.	495	0.02	61.8	77.0	62.6
10869	ALAMEDA CITY UNIF.	12251	0.40	62.2	77.1	62.6
10831	SACRAMENTO CITY UNIF.	52467	1.73	63.9	79.2	64.1
10810	YUCAIPA JOINT UNIF. CO 3	4518	0.15	64.1	79.3	64.1
10790	REDLANDS UNIF.	12484	0.41	64.5	79.3	64.6
10736	NAPA VALLEY UNIF.	15568	0.51	65.0	79.3	64.7
10614	SAN JACINTO UNIF.	1798	0.06	65.1	79.3	64.9
10591	HANFORD UNIF.	8317	0.27	65.3	79.4	65.2
10563	TEMPLE CITY UNIF.	4795	0.16	65.5	79.4	65.2
10231	ORANGE UNIF.	28094	0.93	66.4	79.4	65.7
10168	LUCIA MAR UNIF.	6796	0.22	66.6	79.4	65.8

Source: California Legislature, Ways and Means Committee

Cumulative Percent ADA and Minority Group ADA In California Unified School Districts, Ranked by Assessed Valuation, 1972-73

ASVAL/ADA	DISTRICT	ADA	% ADA	CUM.% ADA	CUM.%BLK	CUM.%MEX
10097	ELK GROVE UNIF.	10198	0.34	67.0	79.4	64.2
9911	KINGS CANYON UNIF. CO 54	5503	0.18	67.2	79.4	66.7
9857	WASHINGTON UNIF.	5538	0.18	67.4	79.5	67.0
9525	CHINO UNIF.	9454	0.31	67.7	79.5	67.5
9490	BELLFLOWER UNIF.	11910	0.39	68.1	79.5	67.7
9351	HAYWARD UNIF.	27325	0.90	69.0	79.8	68.7
9338	CORCORAN UNIF.CO 54	2790	0.09	69.1	79.9	69.0
9269	VISALIA UNIF	13343	0.44	69.5	79.9	69.6
9216	CORONA-NORCO UNIF.	15607	0.52	70.0	79.9	70.3
9210	CASTRO VALLEY UNIF.	8935	0.30	70.3	79.9	70.4
9082	CLAREMONT UNIF.	7199	0.24	70.5	80.0	70.5
9060	POMONA UNIF.	22391	0.74	71.3	81.2	71.3
8824	STOCKTON CITY UNIF.	31786	1.05	72.3	82.4	72.8
8815	LATON UNIF. CO 16	880	0.03	72.4	82.4	72.9
8742	BANNING UNIF.	3121	0.10	72.5	82.6	73.0
8657	SANGER UNIF.	6428	0.21	72.7	82.6	73.7
8599	SAN LORENZO UNIF.	15131	0.50	73.2	82.6	74.1
8589	NOVATO UNIF.	11883	0.39	73.6	82.7	74.1
8574	FRESNO CITY UNIF.	57844	1.91	75.5	84.1	76.5
8475	VACAVILLE UNIF.	6446	0.21	75.7	84.2	76.7
8455	MT. DIABLO UNIF.	49668	1.62	77.3	84.3	77.1
8387	SAN BERNARDINO CITY UNIF	36772	1.22	78.5	85.7	78.7
8229	ABC UNIF.	22261	0.74	79.3	85.8	79.5
8223	JURUPA UNIF. CO 36	8969	0.30	79.6	86.0	79.8
8199	COLTON JOINT UNIF. CO 33	11894	0.40	80.0	86.0	80.8
8181	LYNWOOD UNIF.	9294	0.31	80.3	86.2	81.2
8173	LINCOLN UNIF.	5472	0.18	80.5	86.2	81.2
8123	COVINA-VALLEY UNIF.	18043	0.60	81.0	86.2	81.6
8070	MUROC UNIF.	4205	0.14	81.2	86.3	81.5
7981	MARYSVILLE JOINT UNIF. C	8739	0.29	81.5	86.4	81.7
7974	SAN JUAN UNIF.	54469	1.80	83.3	86.4	82.0
7857	LIVERMORE VALLEY JT. UNI	13283	0.44	83.7	86.5	82.2
7796	DUARTE UNIF.	4948	0.16	83.9	86.8	82.3
7592	WALNUT VALLEY UNIFIED	5048	0.17	84.0	86.8	82.4
7586	EL RANCHO UNIF.	14484	0.48	84.5	86.8	84.4
7553	FREMONT UNIF.	33879	1.12	85.6	86.8	85.1
7495	CLOVIS UNIF.	9248	0.31	86.0	86.9	85.5
7430	VISTA CITY UNIF.	9675	0.32	86.3	86.9	85.8
7336	GLENDORA UNIF.	9227	0.31	86.6	86.9	85.9
7303	SELMA UNIF.	4065	0.13	86.7	86.9	86.3
7300	BONITA UNIF.	7815	0.26	87.0	87.0	86.6
7065	SIMI VALLEY UNIF.	24092	0.80	87.8	87.0	86.8
7007	CUTLER-OROSI JT. UNIF. C	2495	0.08	87.8	87.0	87.2
6972	MILPITAS UNIFIED	10300	0.34	88.2	87.2	87.5
6950	ALVORD UNIF.	9071	0.30	88.5	87.2	87.8
6911	AZUSA UNIF.	12812	0.42	88.9	87.3	88.5
6842	MONTEREY PENINSULA UNIF.	19323	0.64	89.5	88.1	88.8
6836	VALLEJO CITY UNIF.	15974	0.53	90.1	88.2	88.9
6695	NORWALK-LA MIRADA CITY U	31186	1.03	91.1	88.2	90.4
6670	WEST COVINA UNIF.	13223	0.44	91.5	88.3	90.7
6490	FAIRFIELD-SUISUN VALL JT	12457	0.41	92.0	88.6	90.9
6446	CERES UNIF.	4249	0.14	92.1	88.6	91.0
6412	BASSETT UNIF.	8549	0.28	92.4	88.8	91.8
6392	NEWARK UNIF.	9850	0.33	92.7	88.8	92.1
6107	GARDEN GROVE UNIF.	54338	1.80	94.5	88.8	93.4
6003	ROWLAND UNIFIED	14033	0.49	95.0	88.9	94.3
5990	MORENO VALLEY UNIF.	6425	0.21	95.2	90.1	94.3
5870	HACIENDA-LA PUENTE UNIFI	34093	1.13	96.3	90.2	96.2
5860	FOLSOM-CORDOVA UNIF.	12440	0.42	96.8	90.4	96.3
5603	RIALTO UNIF.	12054	0.42	97.2	90.7	96.7
5322	LOMPOC UNIF.	13291	0.44	97.6	90.9	96.9
5227	CHAFFEY JOF UNIF.	9306	0.31	97.9	90.9	97.0
5075	PALO-IN PARK UNIF.	12066	0.43	98.4	91.0	98.0
5045	COMPTON UNIFIED	40009	1.32	99.7	99.0	98.9
4786	CALEXICO UNIF.	4276	0.14	99.8	99.0	99.6
4363	PAPLIER UNIF.	1703	0.06	99.9	99.6	100.0
1868	TRAVIS UNIF.	3023	0.13	100.0	100.0	100.0
TOTALS		3024083				

Source: California Legislature, House and Senate Committees

TABLE A-3

CUMULATIVE PERCENT ADA AND BLACK ADA FOR DISTRICTS RANKED BY AV/ADA, MARYLAND

DISTRICT	AV/ADA	ADA	BLACK ADA	% TOTALS		CUMUL. TOTAL	
				ADA	BLACK	ADA	BLAC
aryland (total)		859,440	201,435				
oward	34,784	14,314	1,318	1.66	0.65	1.66	0.6
albot	33,189	4,395	1,485	0.51	0.73	2.17	1.3
rcester	31,368	6,855	3,011	0.79	1.49	2.96	2.8
ontgomery	30,790	121,458	4,872	14.13	2.41	17.09	5.2
harles	25,884	11,692	4,943	1.36	2.45	18.45	7.7
rederick	24,411	18,355	1,582	2.13	0.78	20.58	8.5
altimore	24,077	123,717	4,299	14.39	2.13	34.97	10.6
arroll	22,396	14,422	547	1.67	0.27	36.64	10.9
ent	21,843	3,583	1,090	0.41	0.54	37.05	11.1
rince Georges	20,655	146,976	22,313	17.10	11.07	54.15	22.1
ueen Anne	20,130	4,631	1,375	0.53	0.68	54.68	23.2
llegeny	19,532	16,435	255	1.91	0.12	56.59	23.3
icomico	19,386	14,079	4,079	1.63	2.02	58.22	25.3
ashington	18,865	23,460	586	2.72	0.29	60.94	25.6
arrett	18,039	5,378	1	0.62	0	61.56	25.6
rtford	17,923	28,161	2,801	3.27	1.39	64.83	27.0
nne Arondel	17,915	65,745	8,923	7.64	4.42	72.47	31.4
lvert	17,849	5,466	3,016	0.63	1.49	73.10	32.9
rchester	16,700	6,568	2,766	0.76	1.37	73.86	34.3
ltimore City	16,016	192,171	125,174	22.36	62.14	96.22	96.4
cil	15,576	11,970	755	1.39	0.37	97.61	96.8
. Mary's	14,132	9,800	2,771	1.14	1.37	98.75	98.1
merset	13,453	4,474	2,055	0.52	1.02	99.27	99.2
roline	11,038	5,335	1,412	0.63	0.70	99.90	99.9

TABLE A-4

CUMULATIVE PERCENT ADA AND BLACK ADA FOR DISTRICTS
RANKED BY AV/ADA, KENTUCKY

DISTRICT	AV/ADA	ADA	BLACK ADA	% TOTALS		CUMUL. TOTALS	
				ADA	BLACK	ADA	BLACK
Kentucky (total)	30,791	695,611	63,996				
Nelson	157,681	1,566	319	0.46	0.73	0.46	0.7
Woodford	58,435	3,365	441	1.00	1.01	1.46	1.7
Greenup	53,455	4,154	1	1.23	0	2.69	1.7
Union	47,790	3,048	303	0.90	0.69	3.59	2.4
Fayette	44,134	34,867	5,969	10.40	13.77	13.99	16.2
Marshall	43,428	3,768	0	1.12	0	15.11	16.2
Daviess	42,614	14,808	875	4.41	2.01	19.52	18.2
Boone	40,750	7,401	37	2.20	0.08	21.72	18.2
Shelby	40.025	4,571	708	1.36	1.63	23.08	19.9
Clark	38,498	5,278	456	1.57	1.05	24.65	20.9
Jefferson	38,450	141,058	28,683	42.20	66.17	66.95	87.2
Kenton	34,691	20,203	905	6.03	2.08	72.88	89.3
Warren	33,296	11,391	1,291	3.39	2.97	76.27	92.2
Cambell	33,067	13,437	173	4.01	0.39	80.28	92.6
Boyd	32,040	11,359	197	3.39	0.45	83.67	93.1
Henderson	31,423	8,415	887	2.51	2.04	86.18	95.1
McCracken	30,520	12,487	1,600	3.72	3.69	89.90	98.8
Taylor	29,423	3,900	292	1.16	0.67	91.06	99.5
Laurel	20,887	6,515	72	1.94	0.16	93.00	99.6
Whitley	19,165	5,480	0	1.63	0	94.63	99.6
Pike	17,295	17,963	132	5.36	0.30	99.99	99.9

CUMULATIVE PERCENTAGES FOR LARGE CITIES IN U.S. RANKED BY AV/ADA, 1970

CITY	AV/ADA	ADA	BLACK ADA	% TOTALS		CUMUL. TOTALS	
				ADA	BLACK ADA	ADA	BLACK ADA
Atlanta	51,790	34,147	3,784	0.58	0.17	0.58	0.17
Rochester	38,950	47,372	13,679	0.81	0.64	1.39	1.55
New York	34,460	1,063,787	334,841	18.27	15.89	19.66	17.44
Louisville	32,370	85,846	3,213	1.47	0.15	21.13	17.59
Milwaukee	31,980	130,445	31,130	2.24	1.47	23.37	19.06
Chicago	26,870	582,274	308,266	10.00	14.62	33.37	33.68
St. Petersburg	26,100	78,466	12,715	1.34	0.60	34.71	34.28
San Francisco	23,980	94,154	25,923	1.61	1.23	36.32	35.51
Cincinnati	19,690	86,807	37,275	1.49	1.76	37.81	37.27
Cleveland	18,420	156,054	87,241	2.68	4.14	40.49	41.41
Dayton	18,330	59,527	22,790	1.02	1.08	41.51	42.49
Portland	18,080	78,413	6,388	1.34	0.30	42.85	42.79
Dallas	17,980	159,924	49,235	2.74	2.33	45.59	45.12
Indianapolis	17,900	108,587	36,577	1.86	1.73	47.45	46.85
Detroit	17,550	296,097	175,316	5.08	8.32	52.53	55.17
Boston	17,490	94,174	25,482	1.61	1.20	54.14	56.37
Philadelphia	16,930	282,617	166,083	4.85	7.88	58.99	64.25
Houston	16,900	246,098	81,966	4.22	3.89	63.21	68.14
Oakland	16,120	64,102	35,386	1.10	1.66	64.31	69.81
Newark	16,120	75,960	55,057	1.30	2.61	65.61	72.42
Baltimore	16,010	192,171	125,174	3.30	5.94	68.91	78.36
Columbus	15,850	110,699	28,729	1.90	1.36	70.81	79.72
St. Louis	15,210	115,582	73,408	1.98	3.48	72.79	83.20
Denver	14,950	96,577	13,639	1.65	0.64	74.44	83.84
Long Beach	14,470	72,353	5,489	1.24	0.26	75.68	84.10
Buffalo	14,160	72,115	26,381	1.23	1.25	76.91	85.35
San Diego	13,620	128,914	15,004	2.21	0.71	79.12	86.06
Riverside	11,960	26,799	1,827	0.46	0.08	79.58	86.14
Los Angeles	11,810	653,549	147,738	11.37	7.20	90.95	92.53
San Antonio	11,230	79,353	11,837	1.36	0.56	92.31	93.09
New Orleans	9,370	110,783	74,378	1.90	3.56	94.21	96.64
Miami	7,180	232,465	56,518	3.99	2.68	98.20	99.32
Minneapolis	6,020	70,006	5,235	1.20	0.24	99.40	99.56
Kansas City	1,680	35,047	10,099	0.60	0.47	100.00	100.03

5

I. "Equity and School Finance - Analysis and Alternatives"
Robert Singleton

Ron Edmonds -	Director of Center for Urban Studies, Harvard Graduate School of Education.
Jim Dyer -	Program Officer, Carnegie Corporation of New York.
Robert Singleton -	Director, Education Finance Reform Project, Nairobi College.
Kenneth Tollet -	Professor of Higher Education, Howard University.
Leroy Keith -	Associate Vice President for University Policy, University of Massachusetts.
Steven Shaw -	Business Manager, Massachusetts Experimental School System.
Chuck Martin -	Professor of Education, Howard University; Editor, Journal of Negro Education.
David Stern -	Assistant Professor of Economics, Yale University; Center for Study of Education.
Margaret Simms -	Assistant Professor of Business Administration, Atlanta University; affiliated with Doctoral Program in Education Administration at Atlanta University.
Frederick Rodgers -	Associate Professor of Elementary Education, University of Illinois.
Bill Hall -	Psychologist, Vassar College.

Ken: I am concerned about the implication of the remarks that it may not be in the interest of Blacks to support the proposals for implementing the Serrano decision which in a sense is another way of repudiating the Serrano decision. My feeling is that in the long run, Serrano is in the interest of Blacks and that if the Supreme Court had decided Rodriquez a different way we would be better off than we are now.

Bob: Rather than go after implementation of the kind of language which I suspect will come out of Serrano blindly, I feel that we ought to be thinking of complicating that language. The best of all posible worlds is that

the California State Supreme Court, when Serrano is appealed again, will begin to take into account some of those dimensions it didn't take into account last time and which we talked about today. If it does, then Serrano would be sufficiently complicated to account for those things that I am concerned about. If it doesn't, then I don't think that black people are going to bebefit by the language and we are going to have to complicate it at the legislative level. We are going to have to go to the legislators and tell them what is missing from Serrano. I think Serrano is a step forward and that it is education reform. Reform of any kind, in almost any respect, I think will be for the better. However, to the exteht that we can obtain the empirical data and prove to our own persuasion that the language, as it comes out of the court, can produce some detrimental solution. We have got to make sure that those solutions are as least detrimental as possible.

Margaret: Although it is implicit in Bob's paper, I would like to make one point explicit and that is that the issue you're pursuing is assessed valuation per pupil, because that's what Serrano deals with, differences in district wealth. But looking again at the questions of, for example, municipal over-burden, it may be that some areas with equal or lower assessed valuation per pupil have higher per pupil expenditures because of the lack of other drains on their resources, which this does not take into account. Although you have done so implicitly, you don't explicitly differentiate between the fact that some areas do have high assessed valuation per pupil but don't have high educational offerings because of

other drains on their resources. In conjunction with that, what I get from your paper, although I think there is missing from it a cohesive conclusion section, is that as far as solely assessed valuation per pupil is concerned, blacks would be better off, in California anyway under full state assumption as opposed to district power equalizing. You also said this morning that you felt that, under district power equalizing, large cities would not vote themselves higher levels of expenditure, indicating probably that full state assumption would result in higher per pupil expenditures, but that's not in the paper either and I think that is something you have to deal with in addition, the per pupil expenditure as well as the wealth availability. Because that's what really determines the dollar input, not just the assessed valuation per pupil.

Bob: You're right, I didn't allocate. The paper was intended only to handle one dimension and that dimension was the distribution of students, of black students in particular, with respect to the distribution of wealth.

Margaret: I'm not meaning to criticize you, I'm just saying that these are the kinds of things that people reading the paper will automatically assume and that you have not taken into account. The criticisms they may have, may not be substantive in the sense that you have already considered these things but they are not made explicit in your paper.

Fred: I think Bob's technique of trying to get at specific points that refer to the specific demographic variables pertinent to blacks is a methodological point that should be made clearer because it probably would aid people in deciding how to break out figures. I think there are some

problems with wealth and income data, that is, trying to correlate with delivery of education services data and other kinds of data. If Bob made his methodology a little clearer it would be helpful to other people trying to pursue that area. I know Bob, that you have the information.

Roy: When you use (ADA the assessed valuation per average daily attendance to rank districts as wealthy districts and wealthy-disadvantaged districts, there arise a lot of distortions that need to be clarified, because when you talk about assessed valuation per ADA a year you're talking about how much taxable property there is behind each student in that particular district. It gives a somewhat distorted view.

Bob: It's not the only dimension.

Ron: I wanted to raise an issue that you are interested in, Bob, and that you hinted at, but obviously your paper didn't deal with explicitly and that is this: Let's assume that you do end by having a very tangible set of fiscal reform recommendations to make that will constitute legal equity in the constitutional sense; that will constitute fiscal improvement so far as black children's per pupil expenditure levels are concerned; so on and so forth. You are going to be in the position to make some very explicit recommendations. That still leaves that issue of performance outcome, since that's the name of the game, that is, what is the overall use to which any fiscal proposal can be put when intent is not, in fact, fiscal equity. That isn't really our intent. Our intent is something coming closer to appropriate performance levels for black children in particular and poor children in general, or that portion of the pupil

population does not instructionally profit from prevailing arrangements. I have notions of my own about that, but before I say anything about that I'd be interested in what some of the rest of you think about the uses to which this kind of work can be put.

Dave: It seems that we're making a general priority statement of sommitment of more financial resources to education and the question is how is that done and hos is that done within a framework, picking up Ron's comment of legal equity, within a constitutional framework or a constitutional meaning. I think that's essentially a mechanical kind of process that we can sit down and formulate. The question involves the political commitment of those instrumentalities that have the responsibility, mainly the states, and however that it is going to be done, whether it is going to be mandated to local districts or the state is going to grasp it itself, having been pressured enough to do that in the first instance. But the other question seems to me to be a question of accountability and an accountability mechanism to be established. Maybe that's the work that should flow. Because if there is an accountability mechanism, a real accountability mechanism established, it puts everybody on notice that he has to measure up to something else that's implicit in all this, and that's the establishment of some, and I hate to use the word, it's almost a cliche, meaningful educational standards. So one thing really triggers another and it's rather difficult in my mind, at least, to address the the one question without kicking off kind of a domino effect of all the others. I guess the question is where do you start.

Bob: Actually, I was about to make the same comment myself. You can

think of all this as a series of things that need to be said. One is the inequities on the level of input or we can think back even beyond that, we can think of inequities on the level of the taxpayer having to provide, because of the system that prevails now, the monies for the education of people with whom he has no direct contact. He's only getting a spillover benefit. We can think next in terms of inequities of the levels of expenditures under the present system because it is not based on any rational criteria by which people who need the money are going to benefit from it, or in terms of the cost, the real cost of education in any given area. When you think of the inequities of the different processes of education within the box, how, in some cases, education appears to be happening very well and in other cases it's not happening well at all; when you think of the output side of the box, we can say that there is not equal achievement in education. Then we can say to ourselves, where are we going to impinge the court most effectively today, given today's situation and given where the frontier of the argument is. The frontier of the argument is right now on the input side, unfortunately. It would be good to put another language into those suits, those court cases, Serrano and Rodriquez and if Serrano could still go in, concerning these other levels. I only addressed myself to the input side, not because that's where I think it should stop, clearly, but because that's where the level of argumentation is at this point and I couldn't agree more with what has been said in terms of what we've got to address ourselves to as soon as possible. We've got to start developing the research now for when we think the Court is ready to get to that output side, because we must realize the Court is not ready right now. The sooner we work on it, the more we will educate them toward that goal.

Dave: I just wanted to mention that the frontier does seem to be moving a little bit, from what I have heard about the New Jersey litigation. The approach they are using there is saying, given where they have a state mandate for a thorough and efficient education, the tactic that the lawyers are using is, as I understand it, that they are going around the state and looking at, say "remedial education programs" that have been used and to some extent have worked in districts and they are saying, "Here's the cost of teaching someone how to read who hasn't been able to read up to this point in a certain grade." I don't know how exact they are being. There is some progress being made toward an output based equity standard.

Bob: That's fine for New Jersey because they happen to have an encomium in the constitution. The problem that I was trying to bring up earlier, that the U.S. Supreme Court has created for us, is that those constitutions that don't have that kind of language are back to ground zero and they happen to be the constitutions which are in the worst states in many ways. So without a plebiscite in those states, or without some kind of state Supreme Court language in those states, we may find that the New Jersey constitution, as Dave just pointed out, a phrase which says that every child will get a thorough and efficient education and you can grab hold of some language like that and start asking what does that mean in today's world, whatever it meant when they wrote it; what does that mean in today's society? You've got a basis on which to move and one that is clearly going to move in New Jersey because of the people who are working there. A lot of people who have grasped the problem are really moving, and that's

going to produce inventories with a great deal of forward motion. Florida also happens to have a great many highly interested people who are ready to use whatever they can get their hands on to produce a good educational system and to take advantage of the language that does exist and to keep moving despite what appears to be a setback in Rodriquez. But there are a lot of states that aren't moving and they have given up.

Dave: But there are federal statutes, the Lao case?

Dave: Well, I can't really say much more than that except that it was a ruling under one of the HEW laws, that there had to be - it was a kind of encapsulation of the 14th Amendment kind of language within the law, within the authorization for some education funds - and under that provision it was ruled that the Chinese student in San Francisco had been deprived of equal opportunity because he wasn't getting bilingual education. Somebody here must know more about it than that.

Bob: I think that's sufficient. It was decided in favor of the plaintiff that the Chinese children have a need, and this gets back to the whole set of needs, and where needs can be made objective like this, I think the Court is willing to sit and listen. That is that you certainly couldn't say that the Chinese were getting an equal educational opportunity if they were sitting in a classroom and couldn't understand what was going on if they were not bilingual. If they were not bilingual, of course, they couldn't understand English. The only thing the state could do was to provide Chinese-speaking teachers for them at that cost and of course, the state resisted because of the implications. You've got a lot of Mexican students also in California

who are going to be the first ones to jump on the band wagon. And then you've got a lot of crazy black people who are going to say that black people aren't going to speak English either. That can keep going further and further. I think that's also part of the reason the Burger court didn't go along with Rodriquez. That opened a Pandora's box for a lot of crazy reformers who are going to run in and say, "Well, if education is a fundamental right, what about the right to police protection? What about the right to sanitation? What about the right for any service you can think of that the state ought to be providing to a Special district? We're paying for it, when are we going to get it? You can prove inequality very easily, you can walk down the streets of the city and through the eyeball test, look at the streets of Beverly Hills and look at the streets in Watts and you can say there is something unequal about the provisions of sanitary services in these two areas. If we can get the strict scrutiny test that comes out of a fundamental right for education, then we can say that people are catching TB and dying everyday because the streets are not kept clean. I think that's one of the reasons they want to go slowly on this provision.

Dave: Although if you can prove racial discrimination, there are plenty of precedents you can cite. Shaw, or Hobson or others in education.

Margaret: You know, Hawkins vs. City or Shaw, Mississippi, when they did extend the application to more than education? But I think that at least as far as the California court was concerned, in Serrano, they made a careful

distinction between education and all other rights because they addressed that issue directly. That was one of the arguments that the defendants used and they indicated why they thought education was a fundamental right, while the others were not. There is a question whether or not you are brave enough to rush right on in there.

I think we should not down-play the findings in this paper because of the tendency for people to think that Serrano and Rodriquez and the other suits automatically mean that black people and poor people are going to have greater resources. This indicates that it's not an automatic consequence, and we ought to be aware of this because the next step, that is-what we actually do-will depend upon knowing precisely where we would stand under a simple-minded distribution of funds based solely on assessed valuation per pupil.

Dave: This gets back to the accountability question, which also gets back to the observation that Ken made earlier this morning, that schools within a relatively wealthy district but in a predominately black section of that district are getting the short end.

Fred: I'd like to deal with the discussion of equity. I would make it a little more consistent with the legal communication, because equity, the way it's used in Bob's paper, got more downside arguments against it than upside arguments for it, in terms of using it as a basis for delivery of educational services to the poor and the black because the equity argument legally is really covered in torts for the most part, a negligence law.

I think you have a tough problem trying to prove negligence in education. So I think I would make that part clear, even though equity communicates in a common sense better than the use of equality. An attorney picking up your paper, Bob, would go through all the arguments that discredit something that should not be discredited, because if you look at equity legally as a balancing, you are talking about input and output - all you can buy is staff and means. When you deal with effects, you really are talking about instructional process. That is not attached to money. The critical question in making an analysis for financial aid, is staff and means because the money is meant to buy more staff, more means and not direcly to buy more effects or better effects. In a sense you can get a clearcut connection between input and output if you look at staff and means but still may not say much about effects. At some point, you may want to give that in your explanation. That is something that we have to worry about when we talk about chinging the equalization of finances.

Chuck: The only concern I have about the paper, other than some of the more substantive ones that have been mentioned, is distribution of information as it results from this research. However, it seems to me that there are a number of pieces of legislation that, if we wanted to, we could sequentially order. We might mention, first of all, the Hobson decision in the District of Columbia which gets more to the process and also the affect that results from that process and begin to define very specifically what affective education is all about, something we have not dealt with. We've tried to put a dollar or cost amount on what happens cognitively, how much money does it take in order for a youngster to achieve at grade level or

above, but what is the affect involved. I can't separate the two and too many have attempted to do that. I think we should also anticipate the counter-equity legislation that we see beginning to mushroom, and I am speaking specifically, although it's not at the public school level, of the DeFunis case involving, of all things interestingly enough, law schools and entrance into law schools and the way in which entrance into this professional type of education relates to minority people.

My next concern is one that we haven't addressed and the paper doesn't address, primarily because I don't think it was intended to, and that is state appropriations as they relate to the preparation of urban teachers, as it relates specifically to the preparation of urban school administrators, that actually those administrators who decide what policy is going to be written that usually creates this inequity. If you take a look at the way in which school administrators are trained to understand school finance, none of this involved. Recently we see a few inclusions, but certainly they are very scanty at best. We have not been able to influence policy as it relates to the policy makers and this is outside of the realm of legislation. We know that state supported institutions train most of the so-called urban teachers in this country and we know that a pretty poor job is being done in that training mode. We ought to examine that, find out how money is being expended to do that, what processes are being used and what failures have resulted from the use of state tax dollars in the training of those teachers. These are a few concerns that I have that hopefully we can address as we continue to make some progress beyond the scope of your paper.

Steve: What would you look for in that training?

Chuck: I think we could look for several things. We could begin to test performance criteria. We are beginning to get a number of papers in which people are taking a very critical look at fourth year tracher education students to find out how they view various other groups in this country that they have never addressed before because of their schooling, because of their, usually traditional middleclass upbringing. There is a lot of interesting information which indicates, factually, what we've known for some time--that many of our teachers are just unequipped in the affective domain to deal with minority students, with Third world students. Now, this means that something is wrong with the training modules that are used to train those teachers and obviously money pays for that kind of training. I think we need to raise some very serious questions as to how that is being done, if state money is being used effectively. I think we can get vast input into that area.

Bob: In support of what you are saying Chuck, I'll mention that every time I make a presentation of any of these observations in California, if it is a mixed group, the people who are most likely to come up and ask me to come to their district to make another presentation of the same sort are the people from white districts. The people from the black districts have heard a little bit about it, and they quite often want us to come too, but I'm not quite sure whether it is that they have heard it before or they didn't understand it when I was making the presentation, but in many cases what happens is that there is absolutely a vacuum in terms of this kind of training or this kind of information in the white districts, in all-white districts and I think the reason for that has been that education in the U.S. is really designed for, and biased toward white culture and there

is not really that much of a need on the part of the white culture to redesign education that much. I think it is working, for the most part, for white society. The educational system in this country, by definition the norm is that 50% of the white students are above it and 50% of the white students are below it. It's just the black students who are in trouble with that norm. They tend to - but taht norm is set from a white cultural vantage point

Chuck: Unless you've taught at a New Trier High School in Winatka or an Evanston Township High School in Evanston, which I have, where the per capita expenditure ranges from about $1,800 to $2,000, then you may begin to wonder whether or not those youngsters are actually getting maximum benefit. There are a number of frills involved, and the superficialities are there but that gets into another thing.

Steve: So are you saying that the money does pay off there?

Chuck: I don't think it does. I'm suggesting that it doesn't not.

Ron: I'd like to turn this general topic into an even more specific question than the one I asked before. I would like some of you to say what you would consider, either on the basis of your knowing about it or on the basis of your being prepared to recommend it, the most auspicious, and in your judgment the most efficacious means by which Singleton's insight into economic equity can be, on the one hand made an instrument of instructional effectiveness for black children, in particular, and poor children in general; what the communities, that are simultaneously suffering from fiscal abuse, but, more importantly, whose school children are suffering from instructional ineptitude need more than fiscal equity. They need instruments of institutional betterment and these pieces of litigation and these occasions of financial reform can be opportunities for such behavior, provided people have access to some kind of a repertoire

of what's to be done.

Bob: I realize the paper didn't go that far, but I know what I would have said if it had gone that far. That is, that general distribution formulas talk about how you get more money from the state to the districts in the general fund. The money that comes out of that general fund and is allocated toward the schools goes with almost no commitment to any kind of special usages of those funds. The district does what it wants and usually it does what it has been doing before. I think some legislatures are becoming more willing to hear arguments about how some of that money should be kept out of the general fund and put into categorical funds if they can be shown which categories of usages that might make a difference. They can then maintain greater accountability. That is one of the most important reasons for having more money in categorical usages rather than less, which is what has happened, the trend is going the other way. There is greater accountability of these funds because the money is designated for special purpose usages and you can say that we want to see this money used for a certain reason.

The other thing is that you can project certain kinds of experiments which are supposed to give us new knowledge and try to control for certain things which we suspect are going on. That adds to whatever we think we know about what is effective usages of these funds. I would think that one thing we can do, as Willy Brown tried to do, is earmark certain funds out of the general fund into special categorical usages and make sure that we are getting more for that than just more of the same.

Ron: You said this morning that you were interested in categorical aid partly because it had the effect of preventing an overwhelming preponderance of the money flow going into teachers' salaries, but I have a lot of trouble with your interest in categorical funding. Look at the country as a whole

and the Congress in particular. The quarrel I have always had with all categorical aid is that it proceeds from a diagnosis of instructional disability. That is to say that Title I is based on the Congress' diagnosing the instructional need as residing in the characteristics of those pupils who don't do well and therefore the categories of intervention that the monies are supposed to buy are designed to respond to the deficiencies that the Congress says black children have when they wrote the legislation. Furthermore, on state levels, precisely the same thing happens, that is that categorical aid, by its very nature, must proceed from a prior diagnosis of what is wanted. Invariably, when that happens, since the laws at that level are written by people who bring certain cultural dispositions in matters of that kind and so on and so forth; invariably it means that two things happen, that from our point of view are disastrous. One, you do get some fiscal intervention, you do get some money appropriated for some kind of a program, and then it's a categorical kind of a program. But by its very nature, the mis-diagnosis of the origin of educational disability, placing the burden of reform on the children instead of on the school - makes us able to predict in advance that we will not get any substantial improvements in performance as a consequence of this fiscal intervention, which gets us back where we started. In other words, not only do people become increasingly cynical about voting categorical sums, but they become increasingly persuaded that no matter what you do with these deprived black children, it will not yield gains, and so on it goes ad infinitum, and so, from my point of view, I am very much committed to discretionary fiscal intervention. The reason I'm interested in it is taht it does not require a prior diagnosis of instructional need.

Bob: But it does require a prior commitment on the part of those people who are operating the school district to do something of the kind that

you're interested in.

Ron: I want to get to that.

Bob: And so, if it's not categorical, maybe we ought to come out with a new term, because I think I'm not interested in categorical as it was used before. That's why I threw in that dimension of new knowledge. That is, I think we have to learn a lot more about what has been detrimental, what in the institution has been detrimental. The point was raised earlier, in the larger session, that we don't really have good explanations of why in one system the addition of some monies, in Detroit for example, there's an attempt to demonstrate how in fact you can tie increases in aid to increases in performance, and yet in other places they made the same effort to show this and they claim they can't. I'd like to know, not from the point of view of what happened in those systems, which he doesn't explain, and what was the atmosphere, where were the teachers coming from or whatever. I don't think educators, in the sense of their training, have really been in a position to describe or to think about this. I would think that we are going to need some people who know something about organizational development and organizational behavior who are going to have to come in and look at the forest as well as the trees, and then say something about what is going on within different school systems that appear to be doing something, and within the different schools that appear to be doing something and we have to tie the money then to incentives toward doing that kind of thing rather than doing the other kind of thing. If it's not categorical, then there has got to be something else; there has got to be incentive pay or something. I'm not that hung up on categorical aid per se. I really do think the money ought to be going in the direction that shows commitment rather than the direction of just more for the most people.

Bea: All kinds of money gets spent in this state, on things that could be of help, such as a very explicit study that was commissioned which said that school administrators should be able to take a haitus and come and learn about such things as school finance or school education and law, and all the kinds of courses you see in the so-called more enlightened school catalogues. I haven't heard anything more of what happened to that idea. I do know that $100,000 was paid to the school that was to do the study. This perfectly good kind of simple solution for the fact that Boston State turns out all the educators and they will go out and perpetuate the system.

Jim: At Carnegie, we made a grant for the fall to the Educational Development Center here, to deal with some aspects of the training that is offered to school administrators. I put them in touch with a number of people, including Bob. That is one kind of connection that will make some difference. And EDC is influential in the way that curricula in the state's schools of education are developed. That's a partial answer. We recognize that as a problem. Getting the response to it motivated and properly implemented is something we are working on.

I have a question for Bob. What response have you had to your work, if any, formal response, from the unions either in California or the nation-wide organizations?

Bob: So far, zero. Mainly, because I think we have been hiding from them. I think the unions will -- the unions know what we're doing -- I've heard, second-hand, certain responses, and the ones I have heard responses about are people whom I already know and I could have predicted what they would have said. At previous times, when working on educational legislation, I used the same strategy. I always wait until the last minute to go to unions because the earlier you go, the more you're going to have to compromise. That compromise you know you're going to have to do and you've

got to kind of count your arguments in such a way that you're talking to them, and their problems, and about what it is that you know they are going to be concerned about. Sometimes that changes back and forth, and the liaisons change back and forth, the wealthy districts and the poor districts and the black districts and the Chicano districts and all kinds of groups that are laready associated are already talking to the unions and you would like to know how that comes out, how the unions naturally deploy themselves among these groups. What we have heard so far is that the unions are interested but they're not quite sure what to think about what we're doing. Some of the things we're doing sound like exactly what they would like us to do, some of our class action suits will definitely be to their benefit.

Jim: They spend a lot of their resources on developing expertise in this specific area.

Bob: That's true. They haven't, not in the area of finance. There are some lobbyists who spend part of their time on keeping up with the finance legislation. I know the Western Center on Law and Poverty's person up in Sacramento is constantly being approached by people from the union and he is my source for some of the things that the unions are saying about us. There are other lobbyists up there who are telling me the same things. I don't think they want to develop an expertise, I think what they want to do is be able to draw upon the expertise of other groups.

Margaret: I wanted to get back to the issue of categorical aid and what happens to the money. First of all, I sould like to say that I think not , not just in education, but all categorical aid assumes one of two things - that is that the recipients of the money are either too stupid or too irrational to know what is the best use of the funds. Second, it assumes that, in education in particular, the same type of production function is equally

effective in all situations and indications are that it is not. We don't know enough about education production functions, if such can be created, to know how much difference there is between a production function for one type of child and for another. But to lock into a categorical kind of grant would lock into the kind of flexibility you have in your production function, that is, what can you do with your money, This tells you what you can do with your money. Also, I think you need to distinguish between the short run effects and the long run effects of changing per pupil expenditure. And the short run almost inevitably means that the teachers who were there will get more money. But in the long run, just to take a simplistic view of it, the existence of higher salaries in those locations may attract better teachers, whatever better teachers may mean. One argument is that the people who are in education no- are those who don't have anything better to do, because if they had something better to do somebody else would pay them more. To the extent that that argument may be valid, by raising the salaries you may attract people who could be doing something else but now see the salaries as being more attractive.

Bob: I think more important, as an argument though, is who makes the decisions to evaluate and to hire and fire the teachers, Margaret.

Ron: If you're going to answer Margaret, let me add one more thing I want you to answer. I'm going to add to her list, the other major defect of categorical aid, in terms of our interest in black children and poor children. Categorical intervention in school systems has the effect of giving the educational decision-maker a built-in explanation for why things don't get better. If things get better, then the school system will applaud itself for being responsive and all that. But for the most part we know things don't get better, and the educational decision-makers make one

of two kinds of responses. They either say they want more of the same kind of money to do the same kind of thing, or they say, more often than that, "Listen, if you'd given us the opportunity to exercise our own judgment, we would have told you you shouldn't have done that in the first place. And that the reason this program hasn't yielded the kinds of gains that you think you ought to have gotten, is because what you wnated us to do was to hire teacher aides when we knew what we should have done was to buy more books, or we ought to have built a gym and you made us build an auditorium, etc." The repertoir of criticisms that I have of categorical aid goes on and on. Even recognizing the abuses that characterize discretionary monies -- my own view is that discretionary monies create more opportunities for long range and sustained reform than any system of categorical invention I know about.

Ken: I'm having great difficulty already in some of these funding situations. Federal funds have come in and instead of these funds supplementing state funds, it freed state funds to go to the wealthiest areas already.

Ron: You're talking about discretionary money?

Ken: I'm saying that even with categorical junding, to a certain extent that happens, but it would happen even more with discretionary monies. In fact, it would be inevitable. Pursuing the question of governance, if you don't have control over allocation of the resources, discretionary funds would be the worst, categorical funds, at least would be designed in such a way as supposed to meet a certain need, a need felt by underprivileged students. I would not be so sweeping in my criticism of categorical aid.

Ron: I think that is a very important criticism and I would like to say just a word about that because I am mindful of the substance of what you are saying, but I am not persuaded to change my mind, and I would like to say

why. You see, what is missing in this scenario is what are there, in fact, predictably effective instruments that will make discretionary intervention more effective than it has historically been. But I should tell you also, I begin from a negative premise. In my view, we now have enough experience with categorical aid to know, with considerable certainty, that it will be culturally autocratic to place the burden of change on pupils, as opposed to schools, and would do all sorts of things that will not yield gain. Therefore, I am not interested in discretionary intervention because I think it's a panacea, I just think it creates opportunities, that categorical funding does not. It seems to me that the way to handle discretionary funds is to say that discretionary is free from the predictable defects of categorical funding and the issue that will turn -- I've been reluctant to pursue that with any degree of precision because I don't know whether it is within the province of this discussion to talk about some of those instruments. The last place I was before I came here was in Michigan, and so I bring a biased perspective, because in my judgment, we succeeded in Michigan in making what is almost a national model of the uses to which discretionary intervention can be put and that there is a truly extraordinary mix of accountability, control of performance outcome, and most importantly, using a fairly modest discretionary fiscal intervention as the political instrument for doing that.

Bea: Doesn't that depend on who is sitting in that seat?

Ron: Oh, it does now too, Sure.

Bea: Looking at it from your view, you have been in the seat and I guess many of those things looking at it from the other vantage point.

Dave: I think it does tie in, I would say it is within the province of finance discussion, because on page 2 of Bob's paper, there's a description fo what superintendent in Baldwin Park allegedly told John Serrano's father, which

is, "If you don't like the schools here, move." There's a whole story there which is that the normal mechanism for accountability in local public services and, even ore so, in the private sector is that if you don't like it, you take your custom somewhere else. You withdraw your resources from that shop. That's obviously an option that a lot of people who buy public education don't have. So, it seems to me that the remedial strategies can be broken down into one of two kinds. You either try to provide more discretion for people to withdraw their money from schools they don't like, and you can do that by either aiding mobility directly between districts as the Fleischman Commission tried to do to some extent; or, you can do it with vouchers, as various experiments are doing, planned variations, there's a whole list of options there.

Another kind of option, a second kind of strategy, is to have the administration, maybe the state administration, exercise that resource withdrawing function in behalf of the customers. If the customers can't move, then the next best thing is the schools can be shown not to be doing their job, the state will take away some money. Presumably using criteria that have been developed by the customers. Part of what has always seemed lacking, from my viewpoint, in discussions about equity and finance, is consideration of mobility explicitly, because it seems to me that if there was enough mobility then we wouldn't have to worry about whether education was relatively cheap or relatively expensive in one place or another because people could move if there were an advantage to doing so. It's the lack of mobility, the lack of opportunity to withdraw your bucks from a bad school that really brings out both problems, and accountability and school finance are very much the same kind of problem.

Fred: If you did accept that argument, you would be moving away from general welfare. It's almost like medicine, as you said. Just because more people

can afford good medicine you don't let TB run rampant, because as long as it's around everybody can get it. And if you look at total societal cost, you pay for those negative costs too. They cost you something in the total formula. But one of the things that your analysis points out that I think is critical, is that in order to tie funding to effects you must be able to trace the money directly to what is being changed. That is where the trick bag in public school funding really gets you. And that is that the language of appropriation is different from the language of delivery of educational services. I found this out in North Carolina very clearly. The state appropriated about $6 per child. Then I went down and asked people in that dual school system, and the superintendent submitted to me that they spent locally, on the basis of a formula of about 10 to 1, $5.50 to the white children, $ .50 to the black children. This was very common. Principals confirmed it. Now the question is, if you had said that to the state legislators, they would have said, "Yes, we have increased our appropriation by 15% because we are concerned about the kinds of materials and means that these kids are getting. And we increased it for every child in the state. Then, when you get the report back, it confirms what they have done. The accountability has been raised really, but the effects have been differential.

Steve: You've got to develop qualitative accountability instruments.

Fred: But that is the only way we know how to report back. Bob has pointed out in his analysis that when you start to analyze it down to its final points, in order to do anything about it there has to be a structural change, not only in the way it's appropriated but in the report to make sure that the effect that was intended actually occurs. I don't know how to handle it, I'm just supporting what Bob has found.

Bob: Qualitative accountability could probably be accomplished better if there were more decentralization. The problem right now is that from the

centralized situation it's good if you can just get some qualitative accountability, just find out on the average how much was spent. That's a breakthrough. The school by school accounting system that they are implementing in Florida does have both aspects; it does have both quantitative and qualitative accountability. That is, the schools are required to appoint some parents to an advisory board for each school, and they are supposed to be setting certain goals and criteria for those schools to reach, which is a breakthrough.

Bea: I have a simple-minded concern around a horror story. That is, even if everything were equal, in terms of dollars, when you get down to what those dollars buy, the services that those dollars deliver, what happens? I can tell you a story about a per pupil ratio that was about $10,000 per kid one year and the services bought were about what you would get if you were willing -- well . . . this was a reverse busing situation. If you broke it out in gross numbers in terms of how much money was spent per child that was effective, you would get about the kind of services you could get in one of the poorer suburbs, I'm saying in terms of teaching. I don't know about the output. I'm just saying that all of that money was spent and all kinds of arrangements had been made to satisfy all kinds of criteria and nobody is really able yet to say exactly what the output of all of that input was.

Margaret: I'd like to go back to the mobility problem. On pages 7 and 8, Bob gives an economic location theory model but I don't think it goes quite far enough in the sense that it doesn't mention the fact that you have to buy a whole package of services. You can't select a better or a worse education. You've got to take the housing and everything else that goes with it. And so, even if black people were perfectly mobile, in the sense that they were not excluded from particular communities, they can't pick and

choose the different elements that go into the package they receive. They have got to take the quarter of an acre lot and the single family dwelling along with the better education and all the other things that go along with that particular community. And the other thing in connection with that, talking about what happens when you get more money, is that the intra-district discrepancies tend to be greater. When Coleman*/ ran into these problems, he couldn't distinguish between what was inter-district and what was intra-district and most of what he got was a minimization of differences, because inter-district disparities tend to be less than intra-district. Some people are more mobile than other people because they can afford to buy the whole package. If you want to keep them in, then the tendency will be to favor them as far as what you do with the money. You can't find it because the budgets are not set up to show where the money went. All you know is that so much money went to teachers and so much money went for transportation and you aren't even sure that the money actually went for that. That's what somebody said it went for, and even if it did, you don't know which students received those benefits.

Ken: My first observation is relevant here. The reason Rodriguez was decided the way it was is quite simple. A lot of what we're saying is supported in the Court and it disturbs me. Rodriguez was decided the way it was because Jencks and other people like him have been suggesting that there is no correlation between educational inputs and educational outputs. Footnote 86 in the opinion refers to the quality clause controversy. Let me quote from the opinion, the crucial part: "Even the most basic questions in this area, the scholars and educational experts are divided; indeed one of the hardest sources of controversy concerns the extent to which there is a demonstrable

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*Footnote Coleman (Report)

correlation between educational expenditures and the quality of education." If we cannot agree that there is some connection between expenditures and educational quality, it's a purely political game. And indeed you aren't going to be able to play even a political game very well, but certainly you don't stand a chance that the Supreme Court will render the kind of decision that is going to ensure equity to blacks and poor. The Supreme Court is not going to render a complicated decision. Occasionally it does; it did one on an abortion case, which was an extraordinary case where a legislative decision rather than a judicial decision was made. Courts don't make complicated decisions when they are deciding constitutional principles. They shy away from any decision that is going ro require a complicated, statutory-type elucidation of norms. It's going to have to have a simple thing, like one man one vote. Before, the Court said that you couldn't deal with political questions because of the complexities of proportion, but when it finally got a simple formula, one man one vote, or one person one vote, then it went off running and our whole legislative process, legislatures, have been transformed as a result of it. It depends on what level you're talking about. The Supreme Court is not going to make a decision that's going to move us toward equity if it has to be very complicated. More fundamental, if we do not accept the proposition that there is a correlation between expenditures and output, I don't know why we are engaged in this exercise.

Margaret: One of the major complaints in Rodriquez was that the plaintiffs did not adequately define a class; that the definition of class they did offer was very, very vague, and the confusion arose over trying to identify children who lived in wealth-poor districts and children who were poor. The two did not automatically correlate; therefore the decision came out with a very mushy class as far as classes go, because they could either belong to wealth-poor districts or they could belong to poor families, but the two

didn't go together. The judges said they didn't have a class. The confusion here is between the idea of equal resources per pupil, in the sense of equal assessed valuation per pupil, and the need criteria, that is the feeling that children from poor families need to have more than they have. Trying to attack it from the approach of their belonging to areas that have few resources is just too simplistic because we are trying to deal with an issue between the inputs and the outputs, and not just the input of dollars, but where the child came from, how the teacher views him and the dollars that go into it.

Margaret: There is an additional question about Rodriguez that we have to answer if we want to go back to the courts. How do we define our class and how can we then attach the class resources and the class needs in such a way that the court can come out with a decision?

Ron: Let me intrude on that one. I think, Ken, that you are raising a very important issue when you say that you wonder what we're about if we cannot agree that there is some relationship between pupil performance and expenditure. I don't think we have to agree on that. I think it's very important that we have some kind of a position on it because I think it is one of the great sources of mischief for community groups and reformers and activists who are trying to represent the kinds of people we are interested in. Any perpetuation of the notion that there is an automatic correlation, positive correlation, between levels of per pupil expenditure and pupil performance is in the long run a detriment to black children. When you go to the bed-rock premise of that argument, you find that it inferentially places the burden of behavior on the individual as opposed to the institution. In a sense, Bob disposed of it for me this morning when he said that there are minimal levels of per pupil expenditure below which you cannot fall, but that when you are increasing levels of per pupil expenditure beyond that minimum, your reasons for doing it are not necessarily a precise function

of some predictable gains in performance levels, and therefore, black people and black advocates are going to have to be very careful that they do not become inferential parties to the mischievous notion that improvements in the quality of instruction for their children are for sale. They're not for sale.

Ken: You've elegantly stated Powell's*/ analysis, though.

Bob: I think that in some cases Powell has been dishonest, if I may call such a prestigious man dishonest. He didn't recomment as a result of his analysis that we therefore take all the money away from Beverly Hills, which is the logical conclusion. If money doesn't make a difference, then who needs money? Let's cut back the educational expenditures on every district to $100 a district. But that wasn't what he concluded. He just simply said, "Therefore poorer districts or those districts which are clamoring for more money can't necessarily put a good argument forth as to why they should get more."

Ron: Powell did not conclude that the basic criticism of the expenditure level was tied to performance. He didn't conclude that its defect was that it placed the burden of performance on individuals as opposed to the institution. He never said anything like that.

Ken: I understand the words, but I don't see how that follows. Will you explain why that's so? I don't understand it.

Ron: Let me give you an illustration. The school we're talking about is P. S. 2 and kids in P. S. 2 are not doing well and the question is raised, "What's wanted, what needs to be done in P. S. 2 in order for these black children to do better?" The teachers have an immediate response. They will list a variety of things, but at the base of it they will say, "We need more

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*Footnote Powell

money in order to educate these children." The struggle then turns immediately to a community coalition whose task is to increase the levels of per pupil expenditure, when what the community is really interested in is improving the quality of instruction for their children but the teachers have tricked them. The origin of the disability has to do with the pathological response that the school makes to those children and their characteristics. You can take the levels of per pupil expenditure right off the chart and never fundamentally alter the school's -- the pathological nature of the school's response to black children -- and unless and until you attend to the fundamental premise from which the school proceeds as it interacts with children, manipulating fiscal questions and altering levels of per pupil expenditure will never influence the quality of instruction or the subsequent reporting on performance levels for the children we are interested in. I want, on the one hand, to maintain my interest in questions of fiscal equity and financial reform, but I want, on the other hand, to say as vigorously as I can that there are some enormous dangers, and this is one of them. And that is why I keep injecting the question, what are the instruments by which fiscal intervention can be turned to more demonstrable gains in performance levels?

Ken: That's Bob's governance problem again. Surely you know that there are many other factors involved in these problems. We're primarily concerned with finances here. The question is, "What can finances do?" You said we don't have to agree on it, but if we don't agree on it, it seems to me that there's no reason to push educational reform because any kind of educational reform you push is going to require additional money, one way or another. If for no other reason, because of our inflationary economy. One thing, for instance, that I think would be a very valuable reform would be the improvement of the student-teacher ratio, that instead of increasing the teachers' salaries, hire more teachers.

Chuck: The existing data does not support that.

You find yourself entering the same kind of trick situation that Ron has just mentioned with the correlation between high expenditure of monies for education and the eventual outputs. A great amount of the data supports the notion that student-teacher ratio has very little to do with it. It's the quality of the individual who is on the teacher's side, which gets back to the whole notion of how a teacher perceives a child.

Bill: It is not as clear-cut as that may appear, because having fifteen students as opposed to thirty students has a lot to do with how effective you can be, your quality as a teacher, which is not just your artisticness or your preparation.

Chuck: I'm not suggesting that. What I am suggesting is that a great deal of the research supports the notion that it's not really a quantitative thing, it is a qualitative relationship that teachers have with children and numbers are simply incidental.

Ken: But that's dangerous talk. If what you say is true, why not have fifty students per teacher? Is it purely qualitative?

Bill: It depends on what you're teaching, too. You can teach fifty people some things, but you cannot teach the same thing to a hundred. Some things you can only teach to ten.

Margaret: I agree that within certain ranges, teacher-pupil ratios don't make a whole lot of difference. That may be a range of five pupils per classroom as opposed to the difference between fifteen and thirty, which is not just fifteen students but also a 100 per cent increase in the number of students per classroom.

Chuck: Or fifty students with three teachers in the classroom.

Bob: What Ron keeps asking us is, "What does the education production function look like?" We keep telling him, "We don't know." The main reason we don't

know, I think, is that there's no accountability in education which will permit us to know.

Margaret: There hasn't been sufficient experimentation to get away from one particular type of production function, so that the standard production function is one teacher standing in front of a classroom, with some variations but not significant ones. What variations there are we can't quantify, or haven't quantified.

Ron: I want to lay a proposal before all of you as an instrument for what we are talking about, because you have persuaded me of the bias I have brought to the room and that is that as advocates for children who aren't doing well now, we can't handle the middle part of your three-part analysis: input, process and output. We can't handle process. So from a tactical point of view, I'm going to suggest that we come at it almost exclusively -- we have some instruments for getting at input and that has to do with litigation, equity, and constitutionality. . . . What I want us to concentrate on is output, because I think that is a handle, and I think it's a handle that goes like this: (1) The phenomenon of criterion measures is an opportunity for community definition of the purposes of schooling at the most fundamental level. That the existence of the technology of criterion measures as opposed to normative measures raises the possibility, the political possibility, of schools becoming rather dramatically more diverse in the uses to which they are put than is presently the case; (2) that the technology of wide-scale assessment of pupil performance levels, when criterion measures generate the inquiries that assessment will be asked to make, represents, from the education point of view, the kind of handle that Margaret is interested in, in knowing what's going on. And not only what's going on, but what's going on in relationship to what we started out saying we were interested in, and that then the tie-in is that, it seems to me, . . . with that kind of information,

that's the point at which money, of fairly modest levels, can be an instrument. Because, you see, in school districts where per pupil expenditure levels are $1,000, if you can get hold of $200 of it, and you can tie the ebb and flow of the $200 to performance outcomes on the basis of criterion measures that are reported on these -- on some kind of assessment instruments, then you will be very close to seeing that, in and of itself, fiscal intervention may not be all that dramatic but that fiscal intervention is an opportunity in the way that a lot of other things we have talked about are opportunities. And the issue is, what needs to be pursued here, what are the uses that can be made of the opportunities for intervention that the question of fiscal reform raises?

Bob: Should we seek more discretionary uses of the money rather than tying it to certain purposes?

Ron: This is discretionary. You take a lump -- take $200 of the $1,000 -- you make the ebb and flow discretionary, but make its ebb and flow a function of publicly reported performance gains on the basis of our criterion measures which are generated by the community to be served.

Margaret: Am I right in assuming that what you mean by that is that you can decide to use the money for whatever purpose you choose, but once you make that decision we have got to know that you indeed used that money for that purpose, in the sense that you can check to see if that was an effective use of the money?

Ron: Let me be more specific. You decide that the way to improve the quality of instruction is to buy drapes for the classroom, but we have already agreed, as the community, that we want children to reach certain demonstrable levels of competence in reading. So we say to the principal, you're free to spend the money on the drapes, but you must understand that if, at the end of this period, the kids don't demonstrate mastery of reading to the level we said

you had to get to, then we cut off that discretionary money. And I'm only talking about that as an instrument of intervention; the $200 is just a handle.

Fred: Ron, I think you are not really dealing with the effects of the funds on the structure. You've defined cosmetic effects within the structure. If you are really serious about the funding effect on what people do, you have got to have the 90 per cent up for grabs.

Ron: I'm willing to do that. But I was just trying to say that the fiscal intervention creates opportunities, and ask what the uses are. It seems to me that two questions arise out of Singleton's work: "What does the community do with his work?"; and "What are the uses to which it can be put?"

Fred: I think if you accept Bob's analysis, you've got to deal with the distribution and use of the whole part, too. You have to be able to use what Bob has discovered not only to affect the school, but also to rearrange the way the money flows through the system.

Jim: I think that part of what Ron is saying, is that you might want to conceptualize a strategy. But as a practical matter, the amount that is really there that can be affected is going to be a marginal amount, hopefully one that can be made effective which is more than the new add-ons have been made to do up until this point, because the handle for even effecting those marginal increments hasn't been developed consciously by those who are interested in how they report it -- and you start there. Also, as a practical matter, as you all know, the 90 per cent, not that it's not touchable, but the mechanisms for getting to it are almost impossible -- you've got contracts -- .

Fred: What about a school system, at least as one proposal, that has no tenure, that has nothing. People go in with the expectation that they will only work as long as they are successful. That's one kind of model offered in conjunction with your model. That's the model where you can't change

things. But here's a system in which people work as long as they win. When they lose, they move. Then you're dealing with how funding is really affecting performance.

Ron: I want to be autocratic and request that we go around the table and ask everybody to quickly say two things: (1) where he or she thinks we are, or however you want to frame that, and (2) what he or she thinks needs to be done within the context of this discussion. What's a profitable set of pursuits?

Dave: I have trouble answering where we are. I could answer where I am. I've heard your description of an accountability scheme tied to controlled resources. I take your word for it that it has had some success in Michigan, and I think that that kind of strategy is mutually reinforcing with the strategy of trying to increase mobility. It's another way of increasing bargaining power. So I have now come to the point of seeing those two things as kind of mutually reinforcing rather than competitive strategies. I think the discussion might focus on examining in greater detail that kind of accountability, to know what sorts of information it can produce and, where it is felt to be satisfactory, what are the criteria for evaluation and are those satisfactory to everybody, and are they controversial? I would like to know about those things.

Chuck: What needs to be done? One of the things that we've discussed, at least marginally, is getting this information out to people. And I am assuming that one of the roles of your operation at Nairobi College is to do exactly that, not only in California but around the country. I'd suggest that we take a look at what people like Roland Patterson are doing in Baltimore, Maryland; what Barbara Sizemore is doing in the District. And by the way, she has laid out what she feels to be an organizational pattern that will bring in some of the accountabilities that we have been toying with, based

on how schools are going to be financed. She is presently taking a very close look at the inequities between schools within that district. I would suggest plugging into these people who are in policy decision-making positions and who are interested, who have expressed an interest. Let them know what is available vis-a-vis your study, and even offer them advocacy support. I'm not that familiar with school law other than the more popularized versions of what is happening currently in the country. I feel very strongly about the fact that much of the work that has been done on this campus is going to have a great effect on policy. I'm thinking not only of the Jencks Inequality study, but also the Moynihan-Mosteller work, etc. And it's interesting to me that a radical economist like Herb Gintis should get so involved in the Inequality study as he did, although I know he has attempted to remove himself from that famous group.

Ron: Notorious.

Chuck: These are some of the things I think should be done. Where we are now? I'd like to ask a rhetorical question: "What is going to be done as a result of today's conference?" I think that there are a number of people here who can assist, but I think there are many more people around the country who should be advised and who should themselves become involved in this type of dialogue.

Bill: I feel somewhat out of place talking at this session because its subject is so new to me, but let me say about where we are, or where we should go. First, let me offer a word of caution. I think that education really is multi-faceted and must be approached that way. I think that this is one approach. I think it is important to put financing in context if you're going to talk about production. It's only one facet, I think. And I would caution against tying that too closely to the teacher effect given the very poor data available.

Steve: I think we have a tremendous task ahead of us, whether it's this group or another, to develop the qualitative evaluation instruments, to provide a system of accountability which would then be the jumping off point, the staging area for the offensive. The offensive then could take the character of the legal constitutional questions. The other thing would be, from that, the entry into constitutional equity questions concerning funding. That way we have a handle on two things. One, the question of the amount of money going to whatever school districts; and two, what is that money buying? For example, we question the school district in which they get $6 per child for educational supplies and $5.50 goes to white students and $ .50 to black students. I think that's what the work is. Where do we begin? What is the catalyst for that, Bob's paper? It ultimately comes down to the question of accountability and I probably sound like a broken record throughout this discussion, but I can't get that out of my mind, I have yet to hear anything that, for me rebuffs that.

Roy: I'm really troubled because I've heard the word accountability and the word governance thrown around the table today. We've talked about input and expected outcome and I'm troubled because I think we are a long way from coming out with a definitive criterion in terms of the transactions that go on within the classroom. We can't do any kind of needs analysis until we come up with some definitive criteria in studies on how one develops a notion of what really goes on in the classroom. It is mind-boggling to look at the array of activities within the classroom, the different kinds of transactions, and then attempt to come up with some kinds of definitive criteria in order to develop an accountability system. I think that's where we need to work, trying to get some notion of what transactions really take place in the classroom; what variables are involved in the activities that go on between teachers and pupils. Until we get to that point, I think we are really a long way from home in establishing a governance system, an

accountability system that will improve the quality of education and provide the educational opportunity and the kind of forum that's needed to go on to litigation to win some of the kinds of battles we are going to have to win to improve education for black kids.

Ken: Where are we? We're in trouble. Several years ago I did an article in the course of which I commented on the McGinnis case and suggested that the lawyers in the case had made a mistake in seeking compensatory education. What they should have argued for was equality of expenditure. I still think I was correct in that judgment although after reading Bob's paper, I'm wondering whether I have been pursuing a counter-productive strategy. If Serrano is not in the interest of blacks, if Rodriguez had been decided the other way, it would not be in the interest of blacks. I'm lost as to how we're going to get out of our predicament from a financial perspective. I realize that there are other factors besides finances involved. I believe very much in the Pygmalion effect.*/ In fact, I could talk for an hour on effective teaching without even mentioning money. In fact, I think that one thing that is required of effective teachers is that they should not be preoccupied with money, that they should have a lust for learning and so forth. My point is, I'm very much troubled by Bob's work. It's healthy for me to be exposed to it because I think it has disabused me of certain myths or assumptions I had about financing in education. Having been disabused I don't see anything on the horizon that is very bright. I don't think what we need is a complicated judicial exegesis of the rights of students; the Supreme Court of the United States is not going to give us that. State courts aren't going to give it either, ordinarily, if they can avoid it, because when they do that they are performing legislative functions. We need a simple norm -- I would still hope that it would be possible to defend

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*Footnote Rosenthal.

the proposition that the "Equal Protection" clause of the Fourteenth Amendment requires equality of expenditure and once having established that, we can move to tort principles and say that where there is a need and where there is a past injury, there is a requirement for compensation. Therefore, to get what you are trying to accomplish in equality of expenditure, you must give more to the disadvantaged rather than just the equal amount. But the Court has to go that way step by step.

What needs to be done is the exposure of intra-district discrepancies and expenditures. I think your analysis gives a false picture of the position of blacks in these districts because they are lumped in with wealthy property figures, but the funds aren't going to them. I think that a tremendous amount of research needs to be done in these areas to establish in fact just how much money is being expended in the black schools in the various districts.

Fred: We need more refinement, a more refined technique for gathering, processing, and presenting financial data that effect change in schools for individuals. I think much of the school finance data talks about structural changes and structural arrangements and that's not where the action end of the equipment seems to be. That's one kind of thing. The other thing is that I think the policy implications for refining this kind of research are enormous because we have not been able to describe the black child's share of resources within the institutional structure. The more we eliminate things that don't count, I think the closer we get to looking at what will count. So even if you continue an analysis, and on the surface it doesn't seem to tell us anything in terms of what we have now, it will eliminate systematically that which we should pursue, which I think is an achievement. Finally, I would say we need a much better description in the literature of how resources are arranged and caused to flow and how this arrangement and flow affects specific individuals. That is not now part of the literature.

Of course, I'm talking more about the long-range.

Margaret: I think that first of all, Rodriguez and other decisions tell us that the Court is not going to rule in favor of equality of opportunity in terms of what we think equality of opportunity ought to be. But, at the legislative level, changes are going on. For example, in Georgia they're talking about moving from the minimum foundation program to an adequate program of education with a modified district power equalizing formula. In other words, legislation is not going to wait for us to pull together what goes on in education production functions and wait for us to get to court to rule in our favor. And it's at this point that we have to follow the kinds of things that Bob is doing. That is, emphasize that a simplistic view is not going to solve our problem. Also, I think that there is only a loose connection between dollar amounts and the resources that we can obtain with those dollar amounts, in terms of differences in cost and so on. And whatever comes out should maximize the benefits that we can see, given the system that's going on. So I'm looking at it, well, you know how economists say, "In the long run, we're all dead," so we have to look at a short run, an immediate run, what's going on now, and how soon can we jump on that band wagon so it's not too detrimental. I think that's where we need to be concentrating in addition to pursuing some of the other things that are kind of long-run.

Bea: I certainly couldn't agree more with you that we can't be sitting around waiting to get our package and our heads together for the courts. We've got to move on the courts, with the courts, through the courts and then other places.

Bob: What I think has been the problem so far has been that in both Serrano and Rodriguez we've been followers, we've let the lawyers tell us, "Hey, we've got a suit going, come in and testify." Instead of taking the lead and saying, "OK, here is what needs to go into a suit, here is what needs

to be litigated, and here is the evidence." We've been called upon to produce evidence on very short notice for a suit that is already moving down the road. Given the slow process of the courts, it seems as if we ought to have plenty of time, but we really haven't been designing what we are doing, we haven't been organizing, we've been called as individuals to do this. The people who are prestigious in these areas are all white. They have been coming forth and saying things, some contradictory, but none of it really taking into account whether this is what black people would do. That, again, is not because they don't really care about black people. I think all the people I talked to do, but their data, the data base that some of them have helped organize, turns out to be for the good of the total population. Black people are supposed to benefit along with the whites. That's not impossible, it seems to me, but it's more insurance to look at the data first, and then to walk in and say, "Here's the evidence that we want to produce." Now the problem is, what is the vehicle we are going to use by which we are going to organize in order to take the lead, and that's the real problem because we haven't had such a vehicle. We haven't had any vehicle that has been viable, in any event.

Jim: In my position, I see, and we're asked to decide on, requests for funds from a variety of organizations that are dealing with aspects of this very same problem but from completely alien points of view, not necessarily hostile, but certainly alien and uninformed, and when it comes to orchestrating and developing the kind of strategy you're talking about, that's very much what we're committed to do. When I say we, I'm talking about the group who got this seminar series started. An example of where we began, two years ago, which has to do with Bob's grant, was that a proposal came in to Carnegie and because of the words that were on the proposal and the particular interest areas that were outlined, it was on a certain desk that happened not to be

mine because that particular interest area was not mine. Because the particular person whose desk it came to was a guy whom I knew well, whom I was able to talk with about a number of things, and who is, on the whole, a good person. He said, "What do you think about this?" and it was very clear from what we were talking about that what Bob was talking about in his proposal was vital, but from the way he conceptualized it, it was unworkable. What he needed to do was to have an opportunity, not to be directed by me or anyone else, but to have enough running room to work out his own priority agenda and be able to move to that next increment or two without the pressures of doing things that would probably be a fatal error for him, for example, to accept the invitation to testify -- without having his facts straight, something as simple as that. We were able to talk and agree on some ground rules and on the basis on which this kind of money, this kind of aid, could be made available to him. And we worked that out, so that we had a grant arrangement made on an interim basis and six months later, he was able to come back and ask for the next increment, which is to say, much more money to do more things for a longer period of time. My hope is, that out of this mix that we see around this table and the people who are known to the people around this table who are their colleagues, the kind of strategy that we are talking about will become possible. The next logical step is for Bob to be able to talk with his legal people and others, about which of several potential suits that might be brought on behalf of a particular class of people in whatever jurisdiction we're talking about, would be the one suit or suits for this kind of group to vocalize itself on behalf of the group. And the question of how that gets financed, where it is and what one hopes will come of that, is something we will have to see about as we go along. The point is that the opportunity to begin that process, or should they continue that process of development, the money to underwrite it where it's needed exists

and will be made available. That's my job. And I might also add, that we're not operating in a vacuum, because the people who are becoming the experts developing the strategies who, again, aren't counter to what we're talking about, but sure as hell aren't part of it, and aren't supported by it, are not present in this room but let's say present nearby. And if we have to be in the situation of relying on alien experts three years from now, it would be a crying shame. My hope is that we will see from this and other meetings like this, the road to the kind of a core group that can both plan and implement this kind of operation.